The China Weekly
REVIEW
密勒氏評論報
A Weekly Newspaper Established in 1917

Soviet Russia from Within---Special Correspondence and Book Review

ARTICLES IN THIS ISSUE

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Kuling Foreign Control to End . . . . . By G. L. Moore

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MISSIONARIES COOPERATE IN REHABILITATING EX-COMMUNIST AREAS

WHEN the Nationalists, now the National Government, first came into power in various parts of China several years ago, the treatment accorded missionaries and their work was of such a character as to arouse considerable resentment in missionary circles. For a time it appeared as though the days of the Christian missionary in China were practically at an end. But the news from the areas which were recently captured from the Communists in Southern Kiangsi and on the Fukien border shows that the American missionaries and the National authorities are cooperating in the most friendly manner in bringing relief to the great mass of people who suffered at the hands of the usurpers during the past six years. The missionaries have come to see that there was considerable foundation for the charge, or at least the fear, that their work is bound up with foreign nationalistic "exploitation" and they are now doing everything they can to disassociate themselves from anything which might give the enemies of Christianity any basis for such an allegation. The "super-patriots" in the National Government have likewise considerably moderated their point of view, with the result that the basis has been laid for very practical cooperative work in a field where it is very much needed. But while the National authorities and the missionaries are bringing succor to the needy and, particularly the former are busy with the problem of restoring a semblance of order in the regions in southern Kiangsi and along the Fukien border recently recovered from the Communists, the National armies still have the communist problem before them in almost as great degree as they have had for the past several years. The Communists have not been conquered, they have merely spread out into other areas. As a matter of fact they are now extending their operations into Szechuen and the missionaries in many districts are withdrawing to places of safety—some to ports along the Yangtsze, others as far as Chengtu. Scattering before the drive of the Government troops the Reds are invading Kwangsi province for the purpose of securing food, clothing and ammunition. In view of the

threat to Wuchow, where a number of foreigners are stationed, a British and an American gunboat have been dispatched to the port.

Dr. S. Washio sums up the Communist situation in China, as follows in the *Japan Advertiser*:—

"The communist's abandonment of Juichin has brought nearer the chance of a clash of the two best developed armies in China in the eternal civil war politics. It does not mean that the Communist army has been extinguished. Chiang Kai-shek's anti-Red expedition has been successful in so far as it prevented the Communist influence from spreading into cities of the Yangtze valley, but the Red army as a military power in the intetior of China may not be diminished. By abandoning Kiangsi and moving into Szechuen it has placed itself strategically in a more impregnable position, out of reach of Chiang Kai-shek's expeditionary attempt and with fresh resources to exploit and more accessible to Moscow's assistance if there still remains some connection between the two. There are thus observable two net effects of the fall of Juichin: First, in central China the old civil war politics between the two principal contending powers, which the existence of the Communist army as a common enemy had the effect of holding in check, is likely to be revived. Second, the chance of Communist influence spreading into cities has become remote, but as an interior military power its existence is made all the more secure."

LONDON NAVAL TALKS VIS-A-VIS CHINA'S INTEGRITY

IT is to be hoped that the news from London last week that Sir John Simon, British Foreign Secretary, had told Mr. Matsudaira, Japanese Ambassador to the Court of St. James, that the territorial integrity of China is the key to Great Britain's entire Far Eastern policy, is correct—and it is also to be hoped that Sir John's pronouncement is not merely verbiage, but that subsequent procedure will back up the pronouncement. According to reports from Tokyo the American delegates will join Britain in a statement declaring that the open-door policy must be maintained in the Far East and that China's territory must be respected. It is to be hoped also that this is correct.

This brings up the whole matter of whether political matters are to be discussed at the London naval talks or not. A *United Press* message from Tokyo Nov. 26, stated that the Japanese Government circles were considerably alarmed because Great Britain and the United States had raised the issue of China's territorial integrity as an excuse for rejecting Japan's demand for naval parity.

The question of whether Japan is to be allowed technical naval parity with Britain and America we consider of minor importance as compared with such a fundamental matter as to whether the two English-speaking countries will stick by each other in the matter of the integrity of China. So far, the course of events has not been altogether assuring. If Japan insists on smashing up agreements for naval limitation there must naturally result a naval building race, and although such a course will probably bring all three countries closer to the brink of bankruptcy than they are at the present time, there is every reason to believe that Japan would be the country to "blow up" first. It might, on the whole, if Japan proves too intransigeant, be advisable to let her build all she likes. It might be the easiest way to bring about her undoing. The fable of the bullfrog that tried to inflate itself into a bovine comes to mind in this connection.

As regards the naval talks in London, *The Review's* Peiping correspondent sums up the situation very succinctly as follows:

Should the London parleys break down and should Japan resort to unilateral denunciation—which appear certain in view of the pressure of time and the "stand-pat attitude of both Japan and the United States—there is every reason to fear that far-reaching consequences will follow. The suggestion that naval disarmament discussions be continued among Britain, the United States, France and Italy, aiming at an agreement which will be left open to eventual adherence by Japan has indeed been made, but it is doubtful whether America will push the idea to any great length. From the American point of view the issue is:—Japan has the choice between the continuance of the Washington Naval Treaty or outright competition in naval armaments and fortifications. Therefore, any arrangement which leaves Japan to her own sweet will cannot but fall far short of the American intentions. Likewise, Britain's efforts of salving as much of the wreckage as possible would not meet with encouragement from the two parties. Japan, through Real-Admiral Yamamoto, has made it clear that if any agreement is to be made, it must be made on the Japanese terms, and that therefore renewal of parts of the Washington Naval Treaty would be out of the question. At the same time the United States has no desire to enter into any pact for political peace of the Pacific that is untenable from the outset for the simple reason that it is made in evasion of the principal naval issue.

On the other hand, a common Anglo-American front backed up by prompt and firm action may yet solve the naval impasse. If joint pressure can be resolutely brought to bear on Japan, it is unlikely that she will stick to her intransigeant position. For naval isolation is after all a more real danger than diplomatic isolation and will be less comfortably borne. The pointblank attacks made by ex-Premier Saito, himself a naval figure, on extremists in Japan for causing the naval deadlock revealed that sanity has not completely deserted Japan. Only this sanity must be strengthened at home by a firm rebuff of jingoistic diplomacy abroad. And this means that Anglo-American cooperation can still turn the tide in favor of the cause of peace. There is no question that the United States has been bidding hard for the British hand. But will Britain reciprocate?

REGISTRATION OF NEWSPAPERS IN CHINA

THE recent announcement from the American Legation to the effect that American newspapers in China are protected under extraterritorially and are not subject to any penalties that might be imposed by the Chinese government, will probably give little comfort to the few American publications in China that have so far not registered. *The Review* has registered according to the National government regulations. It has also registered with the French authorities in Shanghai so as to secure the permission to sell its copies in the French Concession. We have done so in both cases not because we like to do so, but we do not see that it is expedient to do otherwise. We consider both regulations to be an infringement of the freedom of the press. But China is merely falling in line with what most other countries are doing; it is in a position to enforce its will, and intends to do so. The hold that the National Government has on publications is that it can withdraw the privilege of according special postage rates to newspapers that do not register. It might even say that it will absolutely refuse to accept unregistered publications for transmission through the post office—and no amount of extraterritoriality will prevent the Chinese government from taking such action if it choses to. Extraterritoriality can only, for the moment, protect unregistered American (or other foreign) newspapers from penalties of the same kind (outside of post office regulations) that may be imposed on Chinese publications. But the hold which the Post Office has on publications by discriminating in postal rates is sufficient, we imagine, to bring nearly every publication, foreign or Chinese, into line.

A Dissertation on "Dumping"---Particularly as Regards Japan, the Soviets and the U.S.A.

DUMPING:—Term commonly used to describe the sale of goods for export at prices lower than those charged at the same time and under like circumstances to buyers in the country of manufacture.—*Definition in "Encyclop dia Britannica"—(14th edition), which, although it still retains the British label, is now owned and printed in Chicago, U.S.A.*

Two major causes have been responsible for the notable advance in Japan's export trade during the past few years: first, low production costs; second, the extreme depreciation of the yen. In combination, these two factors have enabled Japan to sell at prices that defy competition from the industrial countries of the West. The most careful studies, however, indicate that currency depreciation has been the more important factor.—*Extract from Report of Foreign Policy Association, N. Y., Oct. 10.*

THIS journal has consistently for many years past pointed out what it considered the sins and peccadillos committed by the Japanese—mainly as a government, and sometimes by its merchants. But we consider it only fair that when after investigations have been made by agencies whose integrity is unimpeachable, it is revealed that the world in general has been under a misapprehension, due note should be made of the fact.

Allegations of dumping have been made in recent years against various nations. A few years back the Far Eastern markets were temporarily upset, and grave fears were expressed for the future, because of so-called dumping by Soviet Russia. Because several batches of pencils, razor blades, and also piece goods, were thrown on this market at cheap prices by the Soviets, the newspapers were full of articles as to how the Soviets were "dumping" and would be able to capture the Far Eastern markets, because they didn't have to worry about costs, and more to the same effect. The fact that the Soviets had also opened up a few gasoline filling stations in Shanghai was also heralded in the daily press with long articles with scare heads, in which it was freely predicted that the Soviets would ruin the other gasoline suppliers with cut prices. But what has been the eventual result? The Soviets were merely making a gesture the net result of which was that it made an arrangement to supply its products at wholesale to the British and American companies. The Soviet-sponsored local sales are inconsquential—and as regards the total import of gasoline into China, the Customs figures are as follows:

From Netherlands India, 68,493,886 litres.
From U. S. A., 35,889,875 litres.
From U.S.S.R., 5,564,706 litres.

Above figures up to the end of September. A litre is about a quart.

In other words, there is about six times the amount of gasoline imported into China from the Netherlands Indies as from Soviet territory, despite all the hullabaloo there had been on the subject. Kerosene imports from Soviet Russia are comparatively higher, but there is no evidence of "dumping".

To return, now, to the matter of "dumping" as charged against Japan. The Oct. 10 issue of *Foreign Policy Reports*, which is published fortnightly by the Foreign Policy Association in New York, is devoted to a discussion of "Japan's Trade Expansion." Under the heading of "Japan's Competitive Advantages," the F. P. A., in addition to the paragraph printed in black type at the head of this column, lists the following:

> The cheap production costs of Japanese industry are due in the first instance, to relatively low wages and long hours.... It should also be recognized that money wages do not afford an adequate basis for estimating the comparative living standards of Japanese and Western workers. The items entering into the cost of living of a Japanese worker result in a different and cheaper, but not necessarily a lower standard of living than that of a Western worker.
>
> Japanese factory operatives not only receive low wages—they also work long hours.
>
> In addition to low labor costs, Japanese industry—particularly the textile industry—has derived a further advantage from an increasing degree of efficiency both in organization and management.
>
> By reason of the low production costs of its industry, Japan's export trade—particularly in textiles—was gradually forging ahead of its chief competitors even in the 1927-1931 period. The added effects of the rapid depreciation of the Japanese yen in 1932 and 1933 were sufficient to confer a decisive advantage on Japan's export trade.
>
> **Owing to the fact that currency depreciation has so far resulted in only a moderate rise of internal Japanese prices, the export advantage has been prolonged over several years. As in other countries, the burdens of the inflationary process have been placed on the shoulders of the working class.**

The *New York Journal of Commerce*, America's leading commercial daily newspaper, commenting editorially on the report of the F. P. A. says that Japan is absolved of the charge of "dumping," that is selling its goods abroad cheaper than it does at home. The *J. of C.* also comments that, whatever may be the case in certain individual instances, the expansion of Japan's industry at the present time, at least temporarily, helps to increase American trade instead of decreasing it, because of the fact that Japan purchases many of its raw materials, notably cotton, in the United States. Japan, the *J. of C.* also points out, buys about twice as much in the American markets as America buys in Japanese markets. To this may be added the fact that although America's raw cotton exports have on the whole declined in the past year, Japan's purchases have actually increased.

The technical definition of "dumping" as given in the *Encyclopedia Britannica* (reprinted above) has, of late, been given a somewhat more extended meaning, that is, of a nation or its merchants throwing on the world market goods with the object of upsetting and underselling competitors regardless of costs or of con-

sequences. It is obvious, of course, that no nation could keep up such a policy as a steady policy, and there is no evidence that any country has been doing it, except now and then in some isolated instance. Japan, according to the Foreign Policy Association and the *New York Journal of Commerce*, is absolved from dumping, either in its technical or extended sense.

⁂

It may be mentioned, incidentally, that it has been the steady policy of the United States to "dump," using the words in the sense as defined in the *Encyclopedia Britannica*. America has regularly for many years given an export discount on machinery shipped to foreign countries, and so have certain other countries. It is a fact probably not generally known that a certain large American sewing machine company has, particularly in past years, sold its machines in certain foreign countries at a cheaper price retail than they can be bought for at home. Similar instances can be cited of articles from other countries—Chinese art curios in the United States, for example. To take an instance which comes closer home to this journal itself: An American printing press can be landed here in Shanghai cheaper than it can be bought in the United States, because the foreign buyer is allowed an export discount, which is not granted to the buyer at home. Further, as regards cities on the West Coast of the United States, as compared with Shanghai, the difference is still further accentuated in favor of the purchaser in Shanghai because of the fact that ocean freights from New York to the West Coast of the United States are higher than they are to Shanghai—owing to the operation of the coastwise shipping laws.

⁂

The real cause of Japan's success in foreign markets appears to be that its labor is being exploited to an amazing degree,—this being one of the incidentals to Japan's highly inflated currency. Added to this is a blind devotion to the Son of Heaven, to a degree almost inexplicable to persons of other countries. Most anything can be "put over" on the Japanese workingman if he is told that the Emperor will be pleased. How long the Japanese masses will continue to allow themselves to be exploited only time can tell. No country in the world presents such a combination of the "divine right of kings" and entrenched capitalistic special privilege as Japan. Kaiserism came to an end in Germany as a result of Germany being defeated in war. Japan's dynastic house would also probably come to an end if Japan were defeated in a war. No one realizes that better than the Throne and its supporters. That is the real reason for the continued stress on "security."

G. W. M.

"Russia's Iron Age:*" A Thorough and Critical Summary of the Soviet Experiment

REVIEWED BY WILBUR BURTON

THIS is easily the finest summary of the Soviet experiment that has so far appeared, whether or not one agrees with all of Mr. Chamberlin's opinions. For all the essential facts—constructive and destructive, tragic and comic—on what has been going on in Russia, especially during the past five years which he characterizes as the "iron age," are set forth here with the brilliant mastery of a scholarly and incisive journalist who knows his subject perfectly and is writing without either pro-communist or anti-communist inhibitions.

The book has especial interest for Far Eastern readers, not only because its theme is such an important factor in Oriental affairs, but also because Mr. Chamberlin is well known in China where he spent several months in 1927, and he will, beginning next year, be stationed in this part of the world as correspondent for the *Christian Science Monitor*.

Mr. Chamberlin first went to Russia as a journalist in 1922, and with the exception of a few vacations abroad and his trip to China in 1927 he remained there until this year. He knows the Russian language, both written and spoken, extremely well, and aside from his journalistic work, he has made profound studies of Russian history and culture, both past and present. And, as I can testify *ex cathedra* from long and pleasant acquaintance with him, even though we differ on many matters, he is an extraordinarily keen, conscientious and realistic observer, whose viewpoint, like that of all truly civilized men, contains a liberal measure of skepticism, but is completely free from any bias of "class consciousness," least of all capitalistic "class consciousness." When he went to Russia, he was very sympathetic toward the Soviet regime—which was far greater treason then than now to the class that Orthodox Communist critics today accuse him of representing,—and insofar as his attitude has changed, it is because of his assaying of the relative evils of capitalism and communism. In making such an assay, however, he is limited by the fact that his concentration on Russia has obviously prevented him from keeping fully abreast of capitalist development during the past decade, particularly since the capitalist crisis of 1929 coincidentally with the beginning of Russia's "iron age."

But Russia in 1934 has in some ideological aspects changed more than Mr. Chamberlin since 1922. Then, the Soviet regime was a pariah among nations, still committed to achieving World Revolution and economic equalitarianism. Now, as he says, "the three long-term trends in Soviet life . . . . are greater stablization, growing nationalism, and increasing material inequality." The first trend is, of course, a tribute to Soviet efficiency; the others also may be tributes to efficiency, but they are certainly not testimonials to the revolutionary fervor of 12 years ago.

A revealing note on material inequality is furnished by Mr. Chamberlin's description the dining-room hierarchy in a factory at Magnitogorsk: "At the top . . . was the eating place reserved for high officials of the plant and famous foreign specialists. The food here, while it was a trifle monotonous, was substantial, with an abundance of meat. Somewhat lower in the scale was a dining room for Russian engineers and technicians. Then came the eating place for *udarniki*, workers who

*By *William Henry Chamberlin, published by Little, Brown, and Company, Boston, U.S.A. 400 pages, 17 photographic illustrations.*

had distinguished themselves by their labor. There was a big drop from the *udarniki* to the ordinary laborers, who were fed in crowded canteens, mainly on bread, cabbage soup, and kasha, with meat as a rare luxury. And lowest of all in the scale was the place assigned to the unfortunate kulaks."

Special dining rooms for foreign specialists could, doubtless, be justified on the grounds of expediency, and poor food for the kulaks could perhaps be tolerated for discipline, but the other distinctions are certainly out of keeping with communist principles. Likewise, the Torgsin stores, where the best Soviet products are sold only for foreign currency—which means that virtually no Soviet citizens can patronize them—are a sad commentary on the proletarian fatherland, and also on Soviet currency. Equally dismal is the fact that "the few soft things of life in the present-day Soviet Union go, in the main, not to the theoretically sovereign proletarian . . . but to the higher ranks of the Soviet bureaucracy." Wherefore this tale: "A worker, struggling for standing room in a packed street car, pointed to high-placed officials who were riding past in comfortable automobiles and sarcastically remarked, 'I am the boss; those people are just my clerks'."

And, indeed, as Mr. Chamberlin says, "one of the probable future paradoxes of Russia will be that, just about the time classes have been officially abolished, new classes, based not on wealth or birth but on power, on status in the huge hierarchy of state officialdom, and distinguished by very different standards of living, will become much more visible."

Russia's increased nationalism—strikingly indicated today by the playing of international politics in a manner reminiscent of the Czarist regime, including a tacit alliance with France—has naturally been marked by the disappearance of anything beyond lip service to the cause of the World Revolution. Further, there can be no doubt that the Communist International "is not infrequently utilized as a cat's-paw of Soviet foreign policy." However, this organization even in its prime certainly never aided World Revolution; "Lenin," as Mr. Chamberlin says, "was fortunate in that no Communist International existed in 1917 to tell him when and how he was to launch the Bolshevik Revolution."

But Mr. Chamberlin errs in saying "Fascism is definitely a reaction to a real or imaginary threat of Communism." Rather it is the reaction to any real or imaginary advance of the proletariat by Social Democratic ballots or by Red bullets, as events in Austria—where there were virtually no Communists—clearly show. However, no one can dispute Mr. Chamberlin's statement that Communism *a la Russe* is more of an encouragement to Fascism than to Communism in the advanced countries of the world. For: "What can Communism, to judge from the Russian experience, offer to the numerous middle class, to the still more numerous landowning peasants and farmers of Western Europe and America? Nothing but social and economic extermination—'liquidation,' if one prefers the Soviet term."

From Mr. Chamberlin's viewpoint, the crowning horror of the Soviet regime was the famine of 1932-33 in the Ukraina, the North Caucasus and elsewhere, which resulted in probably four or five million deaths, and which "was quite deliberately employed as an instrument of national policy as the last means of breaking the resistance of the peasantry" to collective farming—the principal aspect of the "iron age." All information about the famine was suppressed by censorship at the time, and the Soviet regime made no effort to aid the starving. The cause of the famine seems to have been a combination of passive resistance of the peasantry to collective farming and inefficiency in carrying out the new method of production, with emphasis on the former. Certainly the Soviet tactics were the last word in ruthlessness, but neither must it be overlooked that the attitude of the peasants was the last word in human stubbornness. The situation, after all, was purely a question of a group of individuals choosing between the alternatives of starvation and adapting themselves to a new economic system they did not like and didn't even understand. A similar choice was given English farmers a century ago by the Corn Laws. The English farmers either had to starve or abandon their farms to become factory laborers; they choose to become factory laborers while the Russians choose to starve. Also, many other times in history, have human beings been given their choice between conforming to a new economic technique (such as the introduction of machinery) or starving. These historical parallels, however, merely put Communist tactics on a par with what they were supposed to destroy, and doubtless, as Mr. Chamberlin says, the opposition of the peasants to collective farming could have been overcome with intelligent humanitarianism had it "meant a swift and marked rise in the peasants' standard of living." Instead "the reverse occurred."

Nevertheless, this fact does not justify Mr. Chamberlin's assumption that the famine is *prima facie* proof of the superiority of capitalistic democracy over communism. "Is there," he asks rather rhetorically, "any recorded case in history where famine—not poverty or hardship or destitution, but stark famine, with a toll of millions of lives—has occurred in a democratically governed country?" It could be asked equally rhetorically and equally pointlessly, "has any communist country ever waged an imperialist war in which millions of lives have been sacrificed?" Certainly, war is as bad as famine, and democracy did not prevent the worst war in the world's history. And even granting that democracy—as examplified by the election of Roosevelt in the U.S.A. in 1932—affords some relief for the victims of a capitalist crisis, it is surely a Pyrrhic victory to provide the 25,000,000 destitute persons in America with the means to eke out existence to no apparent end save slow but sure physical and psychological degeneration. Until some major democracy proves that it can really solve the current capitalistic crisis, it is both foolish and futile to set any store by this political and economic system. On the other hand, it it is equally foolish and futile to commend Communism as an alternative until it has proved itself capable of providing Russia with a considerably higher standard of living than exists today,—but it it should not be overlooked that democracy has been extant for about 150 years, while the Soviet experiment was only 17 years old last November 7. Certainly, until recent years democracy was a vast improvement over any previous social system, while the same cannot be said so far of communism, but it would be only paradoxically human that a system which begins well should end otherwise, and *vice versa*.

Generally, in commenting on the comic aspects of the Soviet experiment, Mr. Chamberlin is on firmer ground than when he is discussing its tragic aspects. The expulsion of a Communist from the Party for expressing in private conversation "the heretical ideas that too much grain was being take from the peasants, that the speed of industrialization was too great, and that there was no real war danger;" the efforts of the more asinine Communists to establish the "Party Spirit in Mathematics," the "Purity of the Marxist-Leninist Theory in Surgery," and "Marxism in Geology;" and the official drive for "the organization of laughter," are all dealt with appropriately. From one viewpoint, to be sure, these items are even more tragic than comic.

In his concluding chapters, Mr. Chamberlin voices violent disagreement with two Communist dogmas: that "the end justifies the means," and the materialistic interpretation of history. Space prevents any extended discussion of either, but in regard to the first it may be

stated that every successful regime in history has followed this precept, although the Communists have been most frank in its application. However, the suppression of strikes in democratic U.S.A. are—to cite merely one example—certainly a crude enough capitalistic application of the principle. As to the materialistic conception of history, there can be no reasonable doubt that this is a bit overdone by professional Marxists. Profits are certainly not always the dominant motivation of mankind; slavery in the U.S.A., for example, was not as profitable as "free" labor, but the personal satisfaction of slave ownership outweighed this fact for the southern feudalists. Also, the bulk of Russia's outstanding Reds deserted their economic class and forswore economic success to become Communist leaders. Life may be said to be guided by "the interplay of psychological compulsion and economic determinism," with the former usually overlooked by the dialectical materialists. Nevertheless, gross materialism explains more history than any other concept.

In deploring the absence of all civil liberities, such as freedom or speech, press, assembly and election, in Russia, Mr. Chamberlin overlooks what I pointed out in these columns on November 24: that liberalism in even the most democratic lands is in a state of suspended animation during every real crisis. And Russia has been in a state of severe crisis ever since the Bolshevik revolution,—a fact which Mr. Chamberlin does not ignore, but which he fails to emphasize sufficiently. Assuredly, there can be no doubt that the Russian people have suffered terribly from what he describes as "grandiose ambitions for quick industrial and military expansion," but *if* such speedy expansion was necessary from the viewpoint of the preservation of the Soviet state, was it not historically justifiable? Whether it was necessary, I cannot say, and Mr. Chamberlin does not attempt to say. Probably not even the Soviet rulers could say dogmatically, but after the experiences of the early interventionist efforts, who can blame them for being afraid of a capitalist attack on the Soviet Union? The only way to counter the possibility of such an attack was by making the U.S.S.R. as self-sufficient as possible, which could only be accomplished by the ruthless drive for industrial and military expansion that has taken place, or by reversion to partial or complete capitalism. War scares, like sabotage, have doubtless been invoked to cover up mistakes of the ruling clique, but it cannot be logically denied that much of the terror and ruthlessness that have marked the Soviet experiment are the inevitable result of the clearly indicated determination of the capitalist world of 15 years ago not to permit the rise of a genuinely socialistic state.

Perhaps, as Trotsky maintains, genuine socialism cannot be achieved in one country alone. Verily, many trends in the Soviet Union are not encouraging from the viewpoint of pristine communism. But, as as indicated by Mr. Chamberlin's summary, the Soviet regime is now established and stable; the last resistance of the peasants to collective farming was overcome by the famine of 1932-33; and virtually all private property has been eliminated. What will eventually be the outcome in terms of human weal remains to be seen, for the median standard of living is now no higher, if as high, as that of the unemployed on the dole in England or the United States. Meanwhile, there is not only merciless repression of any questioning of official policy, but idiotic misrepresentation of the situation both in the country and abroad. Wherefore, there can be no reasonable argument with one of Mr. Chamberlin's opinions that "the progress of civilization in Russia will go hand in hand with the progress of skepticism." And outside of Russia, a healthy skepticism is also increasingly necessary to properly evaluate the application of communism—both *per se* and in relation to decadent capitalism.

PROGRESS HAMPERS SPEED

(Extract from an editorial in the "Japan Chronicle," Nov. 14)

WE find many illustrations of the benefits of delay. Japan has never been cursed with a system of lighting by coal gas, and consequently enjoys to-day a much more general use of the electric light than England does, who pioneered in coal gas. Countries who are rather behind in railway development have a prospect of better transport services within a very few years than countries which have overdone railway communication. It is not impossible that China, some years hence, will be deemed happy in possessing only airports instead of roads and railways. Perhaps the principle extends into realms beyond machinery. We have often criticized Russia for having tried to create a new world when she was of all great countries the worst equipped for the purpose. Sociologists may some day record how England was the last country to become civilized because she was held back by the vested interests which would not understand that the time had come for them to be added to history's junk-pile.

Work on New Railway Line to Kiangwan Civic Centre to Be Started in January

Construction work on the projected short railway from the Shanghai-Woosung branch line of the Nanking-Shanghai line to the civic centre in Kiangwan will be started in January next. The line, which is somewhat over two kilometres long, will start from Kaochingmiao station and end at the junction of the San Min and Woosung Roads. It is understood the line will be completed in time for the National Track and Field Meeting to be held in the new Stadium on National Independence Day, October 10, next year.

Payments Postponed on Japanese Rail Loan

A recent Nanchang message stated that by arrangement between the Railway authorities and the Japanese creditors, payment of the loan obligations of the Nanchang-Kiukiang Railway Administration due this year will be postponed for two years. The amount of the indebtedness up to date totals $17 millions.

Peking-Hankow Railway Receipts Show Increase

Traffic receipts on the Peiping-Hankow Railway for 1934 are expected to equal, if not exceed, the record earnings of 1932, which were $32 millions. According to a report of the Railway Administration, the revenue of the line for the past ten months totalled over $25,830,000, an increase of approximately $1 million as compared with the corresponding period last year. As November and December are the busiest months, it is expected that the receipts will at least exceed $3 millions each month. The total earnings should therefore run up to at least $30 millions this year.

Chekiang Province to Mortgage Bonds with Shanghai Banks

Tseng Yang-pu, commissioner of reconstruction of Chekiang province, after conferring with Chinese bankers in Shanghai end of last week concerning the mortgage of Chekiang government bonds, proceeded to Nanchang to report to General Chiang Kai-shek on constructive activities and the effects of the recent drought in his province. According to the commissioner, steps for the mortgaging of Chekiang government bonds, amounting to $5,000,000, to the Bank of China and other banks for the sum of $3,000,000, have been carried out successfully.

Philippines to Bar Japanese Trade if U. S. Continues Preference for P. I. Products

A statement to the effect that whether or not Japanese trade expansion in the Philippines is to be checked in favor of American goods depends entirely on the United States Congress was made by Manuel Quezon, president of the Philippines Senate and leader of the last independence mission to Washington, upon his release from hospital in Baltimore, November 16, following an operation. He explained that the Philippines Government would be willing to protect United States trade with the islands by means of quotas and special tariffs, on condition that Philippine exports are accorded preferential entry into the American market. Mr. Quezon will sail from Los Angeles on November 30, arriving at Manila on December 22.

He said that after the Philippines have become independent they will not be able to afford a good navy, and therefore it is better not to build any one at all. The Philippines will depend on land and air defences, and preparations are accordingly being made along these lines. It has been proposed that compulsory military training be enforced in order to build up a small standing army.

No Let-Up in Soviet Defense Measures Along Manchukuo-Siberian Border

KHABAROVSK, Capital of Soviet Far East.—Opinion expressed by the Soviet authorities at this important sub-division of the Union appears unanimous on the point that there will be no war with Japan over the issue of the Chinese Eastern railway. But they are equally determined that the Japanese shall not have the railway for nothing, even though the military and economic policies enforced by the Kwantung army have practically destroyed the commercial importance of the line. And while the authorities admit that a practical agreement has been reached with Japan on the important element of price, they also say that a final understanding with the Japanese will be difficult to obtain on auxiliary issues, particularly the disposition of some 6,000 Soviet officials and employees who control and operate the railway.

A Typical Siberian Scene—A Lonely Outpost on the Steppes

While not publicly admitted in Moscow or elsewhere in the Union, the red Russians, although professedly non-imperialistic, are experiencing no little difficulty in liquidating their chief imperialistic enterprise in the Far East, the C. E. R. in which the old empire invested more than a quarter of a billion gold dollars borrowed largely in France. The Russians in the Far East, although amenable to the orders of Moscow, do not like to give up the railroad, which provides a short-cut to their only Far Eastern port at Vladivostok. As for Vladivostok, which largely depended upon the line, it is keeping up its courage by rapidly pushing ahead new enterprises. But the success of Japan's stifling of the C. E. R. is all too apparent in the stagnation which prevails in Vladivostok harbor, popularly known as the port of Egersheld, where formerly ships of most of the maritime nations called for cargoes of Manchuria's chief product, soya-beans.

C.E.R. Sale Will Not Settle Russo-Japanese Issues

But since the railway must be sold in order to sidestep or postpone a war which the Soviets at present do not want, there is a feeling almost unanimously expressed by Russian officialdom that the sale of the railway will not permanently adjust the complicated relations of Japan and Russia in the Far East. In no place in the world, with the possible exception of China, is the domestic situation in Japan more closely watched than in the Soviet Union. Every report bearing on domestic economic and financial conditions in Japan is given prominent position in the officially controlled Soviet newspapers and in the event Japan experiences a crisis prior to the completion of the C. E. R. negotiations it is more than likely that the Japanese will find the Russians much more difficult to deal with. The Russians also appear to be convinced that in the event Japan experiences a serious economic crisis that the Imperial Japanese Army may possibly take advantage of the situation to stage another adventure, similar to that of 1931, in some other sphere.

For these reasons and others there is to be no let up in Soviet military defence measures along the Manchukuo-Siberian border. Russia flatly rejected Japan's proposal for a mutual withdrawal of armed forces for a distance of 25 miles back from the border, the reason being that the Russians have constructed their most important defence works adjacent to the border and in addition claim that such a withdrawal would expose several section of their railways or at least branch lines to Japanese seizure. Therefore, red Russia sits tight on the border and everywhere one hears the statement, "We don't want to fight, but we are prepared to fight if Japan makes any aggressive move across our border."

There is no questioning the fact that Russia's leaders believe war with Japan to be inevitable so long as China's northeastern provinces are dominated, as the Russians put it, "by a crowd of Japanese military and ronin adventurers who were responsible for the original violation of Chinese territorial integrity and who think they must continue in possession of this territory in order to cover up their past crimes." Continuing, they declare that the U.S.S.R. has no intention of aggressing on China; that several hundred thousands of Orientals, Chinese, Koreans and Mongolians reside peacefully on Russian soil as farmers or workers in Soviet state enterprises. Incidentally, Russia's deep interest in these Orientals, particularly the 350,000 Koreans who reside in the Far East in the Khabarovsk-Vladivostok littoral, is indicated in the large number of Korean schools, so-called workers' clubs, and, of considerably more importance, the large number of Koreans that one observes wearing the red army uniform in the Vladivostok sector.

The Soviet authorities throughout the Far East claim that there are many soberminded Japanese who would favor a withdrawal of their military forces from Manchuria, but realizise that this is now impossible because it would involve a loss of prestige on the part of the

Kwantung army, which has now succeeded in obtaining supreme control of the entire Japanese establishment on the Asiatic mainland. The Soviet leaders point to the Manchurian maps which adorn the walls of their offices and insist that the railways which Japan is driving through the unpopulated or sparsely populated regions of Manchuria toward the Russian border are convincing proof of Japan's warlike intentions. They claim that these railways are economically unsound and unnecessary and cannot become financially profitable for a long period of time and are merely being built at heavy expense in order to gratify the ambitions of military adventurers.

J. B. P.

Orientals a Noticeable Feature at Irkutsk

IRKUTSK:—(Capital of West Siberia, Lake Baikal district, U.S.S.R.).—Whenever the Japanese military men inspect a map of Siberia they usually point to this district as the natural dividing line between European and Asiatic Russia. They argue that all territories east of Lake Baikal belong to Asia and should be controlled by Asiatic or yellow peoples while the areas to the west belong to the Europeans. Most military men claim that in the event of a long-drawn-out military struggle between Japan and the Soviet Union the decisive battles probably would be fought in the territory immediately to the east of Lake Baikal. They insist that Russia, because of transport difficulties, might not be able to hold the Far East and ultimately would be forced to drop back to this district.

Under the scheme of political decentralization adopted by the Soviet authorities several months ago the city of Irkutsk was made capital of what is known as the Buryat Mongolian Socialist Soviet Republic, or as it appears on the Russian maps, the B.M.S.S.R. Although founded nearly 300 years ago, the city only has some 100,000 people. Like Chita to the east it was a storm center in the revolutionary struggles between the reds and whites. Admiral Koltchak, commander of the white armies was court-martialed and shot here in February, 1920.

While one observes Orientals in considerable numbers at all of the railway stations in the Russian Far East they seem to be more in evidence here than elsewhere and also seem to be of a more upstanding and determined type. In Vladivostok one observes considerable numbers of yellow men, Koreans, wearing the red army uniform; here they are chiefly Buryats and Mongolians. The reason for this is that the territory along the Selenga river, which flows into Lake Baikal from the south, provides the connecting link between Outer Mongolia and the Soviet Union. The Soviets have improved the connection by constructing a motor road from Verkhne-Udinsk on the Trans-Siberian railway, extending southward through Kiakhta on the border, to Ulan Bator or Urga, capital of Outer Mongolia, which Russia took over in 1920 following the defeat by the red army of white contingents who had established themselves there. A Soviet airline also connects both Irkutsk and Verkhne-Udinsk with Urga.

This city and the entire district surrounding Lake Baikal is therefore of tremendous strategic importance to the Soviets and it undoubtedly constitutes the center of their military and industrial plans with respect to the maintenance of their political control in the Far East. Pending the completion of another railway extending northward from Irkutsk and around the northern end of Lake Baikal and thence eastward to the Amur river, the narrow strip of territory between the southern shores of Baikal and the Mongolian border constitute a sort of "bottle-neck" which must be defended at all costs.

Japanese Occupation of Manchuria Increases Tension

The Japanese occupation of Manchuria in 1931 and attempt to extend Japanese influence among the Mongolian tribes both in Outer and Inner Mongolia has greatly increased the tension here, because any deflection of Mongolia toward the banner of Imperial Japan, or Manchukuo, might easily cause disaster to the Soviets at this point. Japan's gestures toward the Mongolians have been altogether too obvious for the comfort of the Soviets: the creation of a separate Mongolian province in western Heilungkiang province of Manchukuo with its capital at Hailar where the Japanese maintain an aviation base and military school for the training of Mongolian cavalrymen, and of more recent significance the extension of Japanese influence into Inner-Mongolia through Jehol, Chahar and Suiyuan provinces to the northwest of Peiping. Many observers believe that Russia's action in fortifying her Siberian border along the Amur and at Vladivostok caused the Japanese Kwantung army to change its tactics and decide upon a flanking movement through Mongolia, the Japanese feeling that the Mongolian front constituted a weak link or vulnerable spot in the Soviet defence. However, the Japanese military leaders always have had the idea of creating a Manchu-Mongolian-Mohammedan state extending entirely across northern Asia from Manchuria to Sinkiang and thus completely severing all land connection and communication between China and Russia. The Chinese, former controllers of these territories, are now in the position of spectators of a dramatic struggle between her two powerful neighbors for actual or nominal domination over land that once owed allegiance to the Dragon throne in Peiping. Recently the Nanking Government established a new consulate at Novo-Sibirsk, where the new Russian Turkish-Siberian railway extends southward from the Trans-Siberian and skirts China's western frontier, in order to more closely watch the show.

By occupying Manchuria in 1931 the Japanese obtained an initial advantage but that advantage has now been largely offset by the Soviet fortification of the Siberian border and, if one would believe the declarations of the Soviet leaders, Japan's position in Manchuria will be made entirely untenable by the Soviet's industrialization and development program in Siberia generally, much of which is of a military nature.

Whenever the Russians discuss with a foreigner, particularly an American, their plans for industrializing their far eastern territories they usually begin with a lecture on the advantages of socialistic over capitalistic development, but they always end up with declarations about future plans that sound as though they had been copied from a prospectus issued by some western American chamber of commerce about a quarter of a century ago. For example they claim that 30,000,000 horsepower will be developed from the streams running into Lake Baikal, chiefly the Selenga and the Angara. The writer observed one of these hydro-electrical developments in process of construction on the Uda, a tributary of the Selenga. It will supply power for a pulp-mill, something greatly needed, in view of the serious shortage of newsprint and other types of paper which prevails all over the union. It is claimed that Soviet scientists have discovered iron resources in this area amounting to 150,000,000 tons and that there also are resources of coal, copper, lead, aluminum and other metals needed in the industries. Gold there is in considerable abundance, the output this year allegedly exceeding U.S. $150,000,000, while at Nerchinsk on the railway a considerable distance east of Baikal they claim to have discovered important silver-lead-zincores and also molybdenum and wolfram. It is claimed further that possibilities for oil development exist in the area southeast of Chita.

Lake Baikal is one of the world's most interesting bodies of fresh water. It is 380 miles long and from 20 to 45 miles wide and is said to exceed a mile in depth. In winter it is frozen so solidly that when the Trans-Siberian was built originally the tracks were laid across the ice in the winter season. In view of the severity of the winters in these high altitudes with streams frozen for several months one wonders how the enthusiastic Soviet engineers will solve the water-power problem in the long cold season, but as stated in the foregoing the proponents of socialist construction profess to be able to defy the elements in a manner that would give a "capitalist" engineer heart failure.

J. B. P.

Jewish Settlement in Siberia Absorbs Settlers from Europe

BIRA-BIDJAN.—This probably is the only place in the world, outside of Palestine, where the names of the railway stations are written in the Hebraic language, indicating that the population is predominantly Jewish. For a distance of about 150 miles along the railway on each side of this city and extending southward for an average of about 50 to 80 miles to the northern bank of the Amur river, the population is largely Jewish, being composed of settlers who have come here voluntarily or have been transported to the district from various parts of European Russia. The area, known as the Jewish national district, is located directly west of Khabarovsk, is triangular in outline and gets its name from two small rivers, the Bira and the Bidjan, both of which flow south and empty into

the Amur. The territory is flat and a portion of it is marshy and is in process of being drained. Construction activities are evidenced in huge piles of lumber, agricultural and other machinery, motor truck, and tractors and unfinished buildings standing along streets and roads which were veritable rivers of mud due to the heavy rains which apparently had been falling for several days prior to the writer's trip through the "colony."

Ordinarily one should be able to make the trip to the district from Khabarovsk by motor car in four hours, but this was impossible when the writer visited the district due to the condition of the roads, a situation which tended to confirm some of the charges which have been made abroad that much of the land is unsuitable for successful agricultural development. However, it was stated that the rainy season, which usually lasts for several weeks, had started earlier this year.

The writer had no opportunity to talk to any of the actual settlers, hence could not confirm the statements of Soviet officials who are concerned with the development of the enterprise. It was claimed that the present population is approximately 50,000, including however, a considerable number of Koreans and some Russian settlers. A number of motives inspired the Moscow authorities in creating the enterprise which they have promised to declare "autonomous" in 1937 when they hope to have 100,000 settlers on the land or employed in the industries established or to be established, including saw mills, wood-working and furniture plants, a brick factory and several classes of metallurgical works. The primary motive in establishing the settlement was to provide a home and productive employment for many thousands of Jews made destitute by the Soviet ban on private trading and other economic policies. It was claimed that this district had been thoroughly investigated by a scientific commission and had been found to contain considerable mineral wealth and was adapted for agricultural work; that it was larger that Palestine, which is under British control, and for which the Bolsheviks have little love. Since there is a large Jewish population (exceeding 3,000,000) in the Soviet Union, the Moscow authorities hoped, by creating the Bira-Bidjan "autonomous colony" in Siberia, to prevent their own Jewish citizens from casting longing eyes toward the British fostered Zionist movement.

A Strategic Location

A further and possibly most important motive and regarding which no Soviet official will talk is concerned with the strategic location of the Bira-Bidjan settlement. It is not only directly across the Amur river from the Japanese-fostered state of Manchukuo, but is so located as to give the Japanese the maximum amount of trouble in the event of a war between Japan and the Soviets. The Sungari river, chief navigable waterway of north Manchuria, flows into the Amur at Tungkiang (Mongolian name Lahasusu) which is directly opposite the southern border of Bira-Bidjan. It is here that the Japanese maintain their chief concentration of river gunboats belonging to the Manchukuo "navy." All these gunboats carry Japanese officers and crews and in the event of a war between Japan and the U.S.S.R. there would be fierce fighting here immediately because the Soviets have their Amur river fleet concentrated between Tungkiang and Khabarovsk, the political capital of Dalne Vostok, or Soviet Far East. In the brief "war" between China and the Soviets in 1929 over the Chinese attempt to seize the Chinese-Eastern Railway, there was a sharp naval battle at the mouth of the Sungari, in which the Chinese lost three gunboats and several hundreds of sailors and soldiers. It is therefore quite obvious that a Soviet-fostered Jewish colony at this strategic point would serve as a convenient base in the event of an armed conflict. In the meantime the agricultural and other products of the area will be of service to the Russian red army which is headquartered at Khabarovsk.

Further circumstantial evidence that there possibly was a military motive concerned with the establishment of the Jewish settlement is provided in the fact that Japan's military offensive (or defensive) plans are largely centered about the lower Sungari, Amur and Ussuri rivers, which converge in this area. One of Japan's first military enterprises, following the occupation of Manchuria, was to construct a military road from Harbin to the mouth of the Sungari. The road is of most modern construction and will bear heavy military transport. In addition to this the Japanese are now pushing through as rapidly as possible a new railway which will extend from the new Japanese port of Rashin on the upper western Korean coast, also to the mouth of the Sungari, thus enabling the transport of troops to the Manchukuo terrain west of both Vladivostok and Khabarovsk and facilitating the possible occupation of the Amur and Maritime provinces, long an objective of the Imperial Japanese army.

Not so Much Progress as Expected

Although much money, considerable contributed by an American Jewish philanthropic organization, has been expended on Bira-Bidjan, the settlement has not progressed as expected. The original organization was defective and there was lack of both housing and food. Hundreds of settlers had left the area and chaos reigned. The Soviet Government sent a commission of investigation and handled the matter in typical manner. The head of the building trust, chief engineer and director of the finance department, found to have been profiteering at the expense of the immigrants, were promptly arrested and shot and four others received ten year terms of imprisonment. According to a report made public in Moscow in mid-summer by Leon Gurevesch, chairman of the Bira-Bidjan party committee, the complications in the colony have now been adjusted and the acreage of cultivated land had tripled since 1928, when the enterprise was started. He also stated that considerable deposits of coal and iron and asbestos had been discovered, which would provide the basis for a profitable industry.

While the colony will have a Jewish self-governing administration and will teach the Hebraic language in the schools, it must conform to the general Soviet scheme of things, including collective farms, all industries to be owned and operated by the state with a minimum of private trading. Some concession, reportedly, has been made in the matter of private trading, due to the presence in the district of considerable numbers of native Orientals, including Koreans, Chinese, Mongolians, Tunguses, and Cossacks.

J. B. P.

Naturalized Americans in Soviet Russia Present Passport Problem

THE discovery that there are several thousand present or former American citizens working and living in the Soviet Union and that the overwhelming majority desire to retain or recover their American citizenship, has been revealed by the opening in Moscow of the American Embassy and consular services, after a lapse of 16 years, says a recent article in the *Christian Science Monitor*.

The American consular staff in charge of passports and visas in Moscow has faced very strenuous work since offices were opened last April.

The indeterminate status of hundreds of naturalized citizens in Russia has posed many knotty problems for consular officials, in Russia. In its first three months the consulate-general at Moscow issued 49 new passports and renewed 131 others. But at least double this number was referred to Washington for final action, since they require more than routine attention. Many former American citizens reported to the American Consulate at Moscow that their passports have been lost or stolen, while other naturalized citizens have forfeited their status by remaining for more than five years in Russia. The latter argue that they did not have money to leave Russia and had no opportunity to put their cases before American officials until the consulate-general opened here. For this reason, they ask special consideration.

"Reds" and "Blacks"

The Americans in Russia fall for the most part into two classes, the "reds" and the "blacks," as they are popularly known. The former came to Russia because they were sympathetic with the Communist Revolution. The greater part of these had lived in Russia under the Tsars, many being Jews against whom the Tsarist Government especially discriminated, and the Revolution seemed to them the dawn of a new day.

The "blacks" were victims of the depression in the United States. They could not find work and came to Russia because they had been told they could get work here. Soviet recruiting agents enlisted thousands of these people to share in the work of industrializing Russia. About 3,000 American Finns, for example, have been working for two or three years in the lumber camps of Karelia. They were not interested in politics, but merely wanted jobs.

The writer talked with one of the "blacks," who may be regarded as typical. He is a carpenter by trade, and said that he was unable to find work in the United States for three years before he came to Russia. He came here with his family and has had continuous work since. "Living conditions are very hard here, for myself and my family," he said. "If I had work in America, we would all be much happier there."

However, even if assured of work, this man and many others of his kind cannot now return to the United States. They are paid in Soviet paper rubles which have little value outside of Russia and cannot be used to buy steamship tickets. They have no means of obtaining the necessary "valuta" or foreign currency, to pay their way back to America. Unless there is some radical change in Soviet currency regulations, they must remain here, and if they are naturalized will eventually lose their American citizenship.

Among the American "reds" in Russia there is a variety of types. There are some convinced Communists, who voluntarily abandoned their American citizenship when they first came here, and joined the Russian Communist Party. They are given the privileges and obligations which such membership implies, and have joined earnestly in the process of building a "dictatorship of the proletariat." But there are others, of a more objectionable type,

who are endeavoring strenuously to retain American citizenship. "Sure, I'm a Red," said one such man to the writer. "But why should I surrender my American passport? It helps me here. I get privileges I wouldn't get without it."

A few at least of those Americans who came to Russia expecting to find Utopia have been disillusioned. Some who voluntarily abandoned their citizenship in the first flush of enthusiasm are endeavoring to recover it. They are basing their claim upon the fact that the Soviet government requires no "oath of allegiance" from its citizens, and that they therefore have technically never ceased to be American citizens. This subtle point is one upon which the State Department will have to rule.

A Dissillusioned American Communist

The writer talked to one man who was a member of the American Communist Party for many years before he came to Russia. He is a native-born American, a sincere and clear-sighted idealist. For several years he has worked in Soviet factories, refusing offers of "white collar" jobs in order to mingle with the workers and take an active part in their social life. Now, however, he is endeavoring to accumulate the necessary "valuta" to return to America.

"I cannot endure the exploitation of the working man which goes on here as it does in other countries" he declared. "My Russian Communist friends tell me that I am not patient that I do not understand this is a temporary phase. But Soviet methods of exploitation of their own workers, whatever the avowed purpose of such treatment may be are more ruthless and crude than any of which I have been accustomed in my own country. There is less consideration for the average working man in Russia today than in any capitalist country with which I am familiar."

This man is not embittered. He believes in the sincerity of Russian Communist leaders who are so ruthlessly exploiting their own workers now in the hope of building a new social order in some distant future. But he is not able to agree that any end, however idealistic, justifies the present methods by which he declares the rights of individual working men are ignored in the allegedly higher interests of the "Workers' State."

I asked this man if he would rejoin the Communist Party when he returned to his own country. He shook his head. "I could not join the party again if I wanted to" he said. "The party would not admit me after I had told them the truth about conditions among working people in the Soviet Union. They would not believe me, and would say that I had become a traitor to my class."

More About the Proposed Canal Across Siam

(*From the Japan Chronicle, Nov. 16*)

The Kra canal has been to the fore again lately, and is linked up with the interest that Japan has lately been manifesting in Siam. As to the feasibility of the project from an engineering point of view, there seems to be no great obstacle, as there is a stream most of the way, and, apparently nothing very high to get over at its source. Politically and strategically there are various considerations. If tolls were low and the canal wide enough to pass ships through without delay at a respectable speed, not very many ships would pass Singapore when they could take this shorter cut from West to East and it might be considered very dangerous for so weak a State as Siam to be in charge of the entrances to the canal. Only a strong Power could ensure that transit throughout the canal would never be interrupted except by itself. The *China Weekly Review* opines that if Britain has no better secret service than she had in Manchuria in 1931, she will probably know nothing about the canal until it is nearly ready for use, and it says that Siam will be glad of the restoration of her suzuerainty over the northern Malay States; but it does not explain how that would come into the bargain. Perhaps the suggestion is that this might be offered as an inducement for allowing the canal to be dug. But it might be better still if Britain purchased the bit of land between Kelantan and the south bank of the Canal.

Whole of Germany Trained to Glorify War, Winston Churchill Tells Britain

Germany is controlled by men who still believe that war is a glorious exercise, Winston Churchill said in a broadcast address in London Nov. 16. "Only a few hours away by air, there is a nation of near 70,000,000 persons, the most highly educated, most industrious and highly disciplined people in the world," he said. "They are being taught from childhood to think that war is a glorious exercise and that death in battle is the most noble fate of man. This nation, for all its strength and virtues, is in the grip of ruthless men preaching the gospel of intolerance and racial pride without the restraint of law, parliament or public opinion. In that country all pacifist speeches and all morbid war books are suppressed. The authors of such books are imprisoned. From their new commandments they have omitted 'Thou shalt not kill.'"

"Road Troubles in Shanghai"

"An address on the above subject was delivered before the Shanghai Rotary Club last week, by S. H. Peek, who is a member of the Shanghai Municipal Land Commission. The following are extracts:—

AFTER a road-widening has been scheduled the Council does not take any active steps to acquire the area but waits for the owner to decide to rebuild. One of the results of this policy is that widenings scheduled 15 or 20 years ago, or even more than that, have not yet been carried out. The building may be old and ramshackle, but so long as it cannot be condemned as a dangerous building, the community has to await the owner's pleasure. If his hands are forced in any way the claim for compensation is likely to be very heavy. Not only must the land be paid for, but also the building, plus loss of rent, disturbance of trade, and many other things.

Some of you will remember when Szechuen Road was widened previous to the building of the present Central Arcade in 1926-7. This necessitated the removal of a cafe* and bar, by the proprietor of which a claim for over $140,000 was lodged, and in whose favor an award of nearly $66,000 was given when the matter went before the Land Commission. You can easily see that many such payments as this would make any wholesale clearance scheme a very expensive matter. However, that was, I think, rather a unique case.

"If you ask anybody why a big program of road widening is not indulged in, you will be told that the expense is prohibitive. Well, if it is prohibitive now, it is going to be very much worse a few years hence, and, in the meantime, we are suffering from this terrible strangulation, which stops all sorts of business, and costs the community all sorts of time, money, and other losses. Instead of the Municipal Council playing a "waiting game," I would suggest that it should make an intensive study of the whole problem; decide a complete plan of arterial road system, and set about to bring that into effect as quickly as possible. I would like to act as a sort of supreme dictator for a couple of years, and then to get out of Shanghai as quickly as I possibly could, for I should probably be the most unpopular fellow in town. What I should do, if I had my way on the subject is, at the time when the road widenings are scheduled, some steps should be taken to acquire the land at that time, irrespective of whether there are buildings on it or not.

"If you are going to release traffic in the Central district, there are one or two things you must do, and that is to prevent this all-day parking. Certain people have put up, and are putting up, very large office buildings, and they rent these out to tenants. Now, they must know, or they should know, that practically every tenant has a car, and he will want some place to put it, and I feel it is up to the authorities to impose some regulation in connection with all large buildings, whereby their owners must provide some place for the tenants parking their cars. It is not fair that the community should have to pay anything from $100,000 to $200,000 for land, and then have it occupied all day long by a line of motor cars. Take Kiukiang, or Yuen-ming-yuen, or Hankow roads: in these places you have to have one-way traffic, and the only effect of that is that lines of cars can stay there all day long. Supposing you do remove the ricsha, and the hand-drawn cart, and the bicycle, and all that sort of thing: you still would not have enough for your motor-car traffic—to speak of nothing else.

*The reference is to Shepherd's Cafe. The Shanghai Ratepayers, by taking the foolish action that they did in that instance, established a precedent which has paved the way for similar claims from other business establishments, particularly from Chinese—who, in case they do not receive similar treatment, will be in a position to raise a perfectly justified hue and cry that foreigners are given special consideration, and that Chinese are discriminated against.—*Ed. C. W. R.*

New Colony Founded in Anhwei for Overseas Chinese

In view of the present world-wide economic depression, nearly 300,000 overseas Chinese have returned to their home country, according to official estimates compiled by the National Overseas Affairs Committee of the Chinese Government. A great majority of them are in a destitute state.

Chen Shu-jen, chairman of the Overseas Affairs Committee, went in August to Anhwei to investigate the possibilities of organizing a special colony for these destitute overseas Chinese. In 1931, a certain Kan Yung-kwei, who had returned to China from Panama, went to Shui Yang Cheng, near Hsuang Chen, to organize a farm colony there. The experiment was a success and there are now 900 overseas Chinese who have settled down in that colony. Chen, therefore, conceived the plan of purchasing 7,000 mow of land at Shui Yang Cheng and Tse Hsi Cheng, which is only 10 li away. The new colony will be known as "Chiao Lo Tsun," or a village of happiness for the overseas Chinese. The detailed regulations for the new colony were officially promulgated Nov. 25.

End of Red Menace in Central China in Sight; Conflicting Reports on Sino-Japanese Relations

HIGH LIGHTS IN THE EVENTS OF THE WEEK:

1. **Kiangsi and Fukien Cleared of Communists.**
2. **Anti-Red Drive for Szechuan Mapped out in Nanking Talks.**
3. **Conflicting Interpretations of Sino-Japanese Situation in North.**
4. **Shansi Leader to Attend C.E.C. Session in Nanking.**
5. **Nanking Plans Reforms of Frontier Administration.**
6. **Tibet Pledges Unreserved Support to Nanking.**
7. **General Chiang Kai-shek's Appeal: Strive for National Recovery.**
8. **China Imports $14 Millions of Motor Cars and Radios.**

In view of the successful completion of the communist suppression operations in Southern Kiangsi and Western Fukien, the Executive Yuan, at their meeting Nov. 27, decided to abolish the Communist Suppression Headquarters in Kiangsi, Kwangtung, Fukien, Hunan and Hupeh. They also appointed General Ku Chu-tung, who was made political Vice-Minister of War in January, this year, Pacification Commissioner in Kiangsi, and General Chiang Ting-wen, Pacification Commissioner in Fukien. Although no official announcement has been made, it is learned that the government is contemplating the establishment of a Pacification Commissioner in Szechwan, which post will probably be offered to the Szechwan leader, General Liu Hsiang.

Capture of Last Red Stronghold in Kiangsi Confirmed

Official dispatches received at Nanchang confirm the capture of Huichang, last of the Communist strongholds in Kiangsi, on Nov. 22. Practically all of the inhabitants in Huichang were forced to evacuate the city and follow the Reds when the latter withdrew. Most of the houses and property were burned and badly damaged by the bandits. The outlaws have fled to the surrounding mountains with the government forces hot on their heels. Huichang is now being garrisoned by General Li Yu-tang of the Kwangtung Anti-Red Forces.

It is reported that Chu Teh, notorious Communist leader, is seriously ill and that operations of the Red activities at the front are being directed by Peng Teh-hui. The outlaws are fleeing eastward. Two thousands Reds have surrendered to the Government.

With the capture on Nov. 10 of Juichin, capital of the "Soviet Government of China," the forces of the National Government have broken up one of the strongest and best-organized Communist strongholds in the country. When the Eastern Route government troops swept into the city, they found the Communist headquarters in systematic order. First, there was the "capitol" of the Soviet Government of China, with Mao Chieh-tung as chairman. Then there was the Executive Committee of the Communist Party Headquarters, with Po Ku as its head. Other offices included the Central Military Council headed by Chu Teh, and the Kiangsi, Hunan and Szechuen "anti-bandit" headquarters. There was also a military school, a school of science, a wireless telegraph school and a public health school. The Communists also operated an arsenal and a power and light company, and had oil depots and a foreign trade bureau. There was an aerodrome, but no planes.

Economic Blockade Against Red Areas Lifted

With the anti-communist campaign virtually completed in Kiangsi following the suppression of the Red remnants in southern Kiangsi, an order was issued Nov. 26 lifting the economic blockade against the various districts formerly occupied by the marauders.

A sum of $280,000 has been remitted by the National Economic Council towards the building of granaries in the rural districts of Kiangsi. The Kiangsi Provincial Rural Corperative Committee is entrusted with the task of carrying out the project in that province.

Kwangtung Safe from Communists

Kwangtung is now free from communist menace at the northern borders as the outlaws are fleeing to western Hunan after evacuating Lanshan, which was occupied by the southern troops November 24. The Red forces are now in Kianghua and Yungming in western Hunan near the borders of Kwangsi. They intended to cut across Kwangsi on their way to Kweichow, but being blocked by the Kwangsi forces the communist-bandits have escaped northward and reached Yungchow via the Hsiao River.

A force of 2,000 "Red" troops invading Huangshaho, a town along the Hunan-Kwangsi border, was repulsed by the Kwangsi troops November 23. General Li Tsung-jen, Commander of the Kwangsi Provincial Forces, in a telegram to General Chen Chi-tang, Commander of the Kwangtung Forces, states that crack units have been rushed to the Kwangsi-Hunan border to suppress the outlaws who are making for Yungming, near the Hunan-Kwangsi border. General Li will remain at Nanning for the time being to direct the operations, instead of coming to Canton.

A high tribute to the Cantonese forces who recently gained a great victory over the Reds along the Kwangtung border was paid November 23 by General Chen Chi-tang, the Commander-in-Chief of the Kwangtung forces. He said that it was due to the gallant work of the Southern Route suppression troops that the Red menace had been eliminated from the provincial border. With the dispersal of the main body of the Communists, the Cantonese troops in south Kiangsi are stated now to be employed in clearing up the remnants. According to a report received at Canton from General Yu Han-mow, a force of nearly 1,000 Reds dashed from Chingkie to Koopei, in south Kiangsi, in the morning of Nov. 22 in an attempt to attack the bandit suppression volunteer corps stationed there. They encountered, however, a regiment of the First Army Corps and were put to rout.

Heavy casulaties were suffered by the Communists in the recent fighting against the government troops in the vicinity of Yenshou, 40 miles north of Kiufeng, on the Hunan border, according to an official dispatch received November 23 at Canton from General Chen Chang, brigade commander of the victorious Cantonese forces.

Hu Han-min Congratulates Anti-Red Leaders

Hu Han-min, retired Legislative Yuan chief at Hongkong, sent on November 22 a telegram to the Communist-suppression front congratulating the army commanders upon the success of their drive and urging that efforts be redoubled with a view to an early conclusion of the campaign.

General Ho Chien, Commander-in-Chief of the Pursuit Forces, reports the occupation of Hsiakuan, a town situated east of Taohsien and south-west of Ningyuan in southern Hunan, by the 15th Division under Lieut.-General Wang Tung-yuan. The Government troops killed 1,000 outlaws and seized several hundred rifles.

Anti-Communist Drive for Szechuan Mapped Out in Nanking Talks

A plan for the extermination of bandits in Szechuan province has been agreed upon in outline by Generalissimo Chiang Kai-shek and General Liu Hsiang, commander of the bandit-suppression forces in Szechuan, as the result of three interviews between the two military leaders. The question concerning the financing of the anti-bandit campaign, however, has no yet been settled between General Liu and Dr. H. H. Kung, Minister of finance.

General Liu, in an interview with the press at Nanking expressed his optimism and faith in the future prosperity of his province. He said that after the resignation of General

Liu Wen-hui, there had been no provincial government in Szechuan and he had made concrete suggestions to the government regarding the establishment of a provincial government in Szechuan which would suit local conditions. General Liu denied that he had suggested the flotation of $7,000,000 bonds for the reorganization of Szechuan's finances, saying he had made no such proposal to the government. He has merely informed the government of the actual financial situation and it would have to decide what to do to remedy matters. Improvement of communications in Szechuan, he declared, would be the next important step after the extermination of the Communists. Apart from widening existing roads, plans would be made to construct railway lines connecting various important cities.

Following the occupation of north-eastern Szechuan by the communist-bandits several months ago when the provincial forces retreated, more than 1,700,000, women and children, young and old, have been rendered homeless. This figure does not include those killed and missing during the trouble. Relief workers are trying to raise $200,000 to provide food and clothing to these refugees but the sum is far from being sufficient. Many of these refugees are fleeing to southern Shensi province.

Ariyoshi Sees Improvement in Sino-Japanese Relations

A slow but gradual improvement in Sino-Japanese relations was seen by Akira Ariyoshi, Japanese Minister to China, in the course of his two-week trip to Peiping. "Sino-Japanese co-operation is gradually bearng fruit in the North." he told Japanese reporters who met him aboard the D. K. K. liner Tsingtao Maru on which he arrived at Shanghai from Tsingtao November 9. He was accompanied by Mrs. Ariyohi and Kaioo Yokogawa, secretary.

Gen. Sung Returns to Kalgan As Nippon Charhar Danger Grows

In view of the serious situation in Charhar, General Sung Cheh-yuan, chairman of Charhar, returned to Kalgan from Peiping Nov. 21. According to reports, the Japanese army has requested the Charhar authorities to withdraw the Chinese troops stationed in the Kuyuan and Dolonor in order to facilitate their future invasion into Inner Mongolia.

Tang Yu-jen, vice-Minister of Foreign Affairs, arrived at Peiping from Nanking November 21 for a short stay. While the purpose of his visit is still unknown, it is believed that he will conduct negotiations with the Japanese legation concerning Sino-Japanese problems in North China.

Japanese Manoeuvers Along P. M. R. Line

The Peiping-Mukden Railway line from Peiping to Tangshan was practically converted into a Japanese battlefield November 26 as the Japanese garrison forces in North China started their three-day military manoeuvres that morning. The territory where the army drills are being held includes Tangshan, Kaiping, Luichuang and Luanhsien.

Twelve motor trunks, heavily loaded with Japanese-made goods, were seized by the Chinese Customs officials at Shanhaikuan November 25 as they attempted to pass south without paying the regular duties.

On November 24 a cargo boat fully loaded with Japanese goods was prevented from landing its goods by the Chinese customs officers at Shanhaikuan. But later on several Japanese soldiers declared that the goods were military supplies and refused to let the cargo be detained. Representations have been made to the Japanese authorities at Tientsin. Four truck loads of Japanese and Indian fabrics were also seized on the same day not far from Shanhaikuan.

PMR Tourist Bureau End Seen Near

The Chinese and Japanese components of the Eastern Tourist Bureau will terminate their services in handling the through traffic between Peiping and Mukden at the end of this year when the half-year trial period expires. The Eastern Tourist Bureau began its operations on July 1. Poor business returns from the Peiping-Mukden through train services is given as chief factor that led the China Travel Service and the Japanese Tourist Bureau to their concerted decision of discontinuation, according to report in the *China Press* November 26.

Information received at Peiping November 23 stated that the "Korean Revolutionary Army" has now occupied Tunghua, a district outside of the Great Wall. This army, the report states, is commanded by one General Kim Nin-shin. It is also stated that Liang Feng-jui, a committee member of the Republic of Korea, has been assassinated by the Japanese.

General Yen to Attend C.E.C. Session at Nanking

General Yen Hsi-shan, Pacification Commissioner of Shansi, is reported to have decided to pay a visit to Nanking and attend the 5th Plenary Session of the Central Executive Committee scheduled to be opened there on December 10. General Yen will proceed to the Capital by way of Peiping.

Two Northern Generals Executed in Peiping

According to a *Reuter* report, Generals Chi Hung-chang and Jen Ying-chi, who were brought to Peiping from Tientsin on November 22 under heavy escort, were executed by the Peiping Military Authorities November 24. General Chi and his fellow prisoner were charged with having been connected with Communistic activities.

The three plans in hand for the organization of the Municipality of Greater Peiping would cost approximately $7,000,000, said the Mayor, Yuan Liang, in an interview. The first step, he declared, would be to develop Peiping into a cultural centre for tourists, while the other two would be to deepen and improve the canals surrounding the city and construct a new sewerage system. Three million dollars will be used for the cultural centre, the first of the prospects, while the Ministry of Finance would make appropriations for the other schemes later, the Mayor added. The plans, however, are meeting with opposition from the Hopei Provincial Government.

To show their appreciation of General Chiang Kai-shek's recent visit to Mongolia, two Mongol political leaders, Prince Teh and Prince Yun will present 100 crack Mongol ponies to the Generalissimo. Ten ponies will be presented to General Huang Fu, chairman of the Peiping Political Readjustment Council.

Prince An-La-Tan-O-Chi-Erh of Inner Mongolia has been appointed by General Yen Hsi-shan, Pacification Commissioner of Shansi, as Deputy Garrison Commander of the Peiping-Suiyuan Railway in Western Suiyuan.

A rich coal deposit has been discovered in the district of Wanping, north-west of Peiping.

Construction of the branch line of the Tatung-Puchow Railway between Taiyuan, provincial capital of Shansi, and Hsishan, in central Shansi, has been completed. The line is over 40 li (13 miles) long and will be used exclusively for the transportation of coal.

Train service on the Wuhu-Hsuanchang section of the Nanking-Wuhu Railway, in southeastern Anhwei, was formally operated November 25. The entire line will be completed in March next.

The Suiyuan-Chahar long-distance telephone line was officially opened November 20. Extensions are being made to the districts of Hsingho and Shangho.

A fleet of eleven motor ownibuses, carrying 13 passengers and a large consignment of goods, including 16,000 catties of cargo and more than 100 kilogramme (kung-chin) of mails, left Kweihua by the Sinkiang-Suiyuan Highway for Hami, eastern Sinkiang, November 23. Upon arriving at Hami, a transfer will be made to the buses operated by the Sinkiang Provincial Government before proceeding to Tihua, the provincial capital.

Nanking Plans Peforms in Frontier Administration

In order to facilitate the administration of frontier affairs, the Central authorities are considering the reorganization of the Mongolian and Tibetan Affairs Committee, so that in future it will become the supreme organ for the administration of Mongolian and Tibetan affairs. It is also reported that the Mongolian Political Council. which is now under the direct control of the Executive Yuan, will shortly be placed under the jurisdiction of the Mongolian and Tibetan Affairs Committee

Tibet Pledges Support to Nanking

General Huang Mu-sung, Special Commissioner to Tibet, in a telegram to the Mongolian and Tibetan Affairs Committee, reports that the Tibetan authorities have indicated their unreserved readiness to accept the policies of the Central Government for the readjustmnt of the Tibetan situation. The authorities of Outer Tibet, General Huang states, have also despatched representatives to Lhassa, capital of Tibet, to see him.

Through the efforts of General Huang, a 100-watt radio station has been in operation by deputies of the Ministry of Communications in Lhassa, provincial capital of Tibet, to foster closer contact with the frontier. It is learnt that as General Huang will soon return to the Capital, The Ministry of Communications is planning to open the radio station to public use. The station, it may be noted, has and is still being used exclusively by General Huang to communicate with the Central Government.

Ten Tibetan representatives are expected to come to Nanking with General Huang to negotiate for a new set of regulations regarding commerce and trade between China and Tibet. General Huang is expected to arrive in Nanking some time in February.

An interesting story of conditions in Tibet was told by Wang Wei-sung, who attended the State funeral of the Dalai Lama in June as a member of the special Chinese commission and who returned to Nanking recently. According to Mr. Wang, hostilities between the Chinese and Tibetan forces have been suspended, but both parties are maintaining troops on the banks of the Chinsha river. The people, however, are anxious to have the dispute settled amicably, and that is one of the reasons why the Nanking Government wants General Huang Mo-sung, head of the commission, to protract his stay at Lhasa and discuss plans for a final settlement. Before the death of the Dalai Lama, foreign imports into Tibet were meagre, but at present large quantities of Japanese goods are on the market. Most of the merchants in Tibet are from Nepal, while there are some from Szechuan and Yunnan and a handful from Peiping. In eastern Tibet Szechuen copper coins are generally used, while in the west Indian money is used. However, Chinese silver dollars are also accepted in various places. Most of the people, according to Mr. Wang, read and write Tibetan because they are required to study lamaism. Hardly anyone can read or understand Chinese. The Military Headquarters is located in Lhasa. The soldiers do not receive any salarly but get their food and uniforms free, their arms and ammunition coming from India. The present population of Tibet, according to Mr. Wang, is not more than 1,000,000.

Kwangtung Suspends Expenes on Construction Projects

In view of the enormous military expenditure necessitated by the present campaign against the Communists in Kiangsi, General Chen Chi-tang, Commander-in-Chief of the Southern Route-suppression Forces, has given orders to Ou Fang-pu, Finance Commissioner of the Kwangtung Provincial Government, that all expenses on less urgent reconstruction projects in the province be suspended for the time being.

Canton to Borrow $10 Millions from Foreign Oil Companies

A loan of $10 millions contracted by the Kwangtung Provincial Government with the representatives of the Standard Oil, the Socony and the Texas Oil Companies at Hongkong, for the purpose of meeting the budget deficit and financing reconstruction projects in Kwangtung, will shortly be concluded there. Liu Chi-wen, Mayor of Canton, who negotiated the loan, will sign the loan contract on behalf of the Kwangtung Provincial Government. The loan will be paid over in three installments in four months and is to be seucred on the revenue and assets of the Canton Municipal Power Plant.

In compliance with the request of the Ministry of Finance, the Kwangtung Provincial Government, has decided to postpone the collection of the proposed additional levy of 20% *ad valorem* on Rolled Tobacco.

Two Canton Officiers Die for Smuggling

The Canton naval headquarters issued a proclamation November 23 announcing the execution of Li Tang, an officer attached to the gunboat Hai Sui, who had been found guilty of engaging in opium traffic.

Liu Han-chuen, an officer attached to the Nanhai district militia, was executed November 21 by order of the military headquarters at Canton after a court-martial had found him guilty of smuggling activities.

To Promote Sale of Chinese Goods Overseas

An enlarged Chinese goods exhibition will be held next year in Singapore, according to Huang Man-shih, delegate from the Chinese Chamber of Commerce in Singapore, who is now visiting the North. Mr. Huang's mission in returning to China is to investigate industrial and commercial conditions in his home country and to collect samples of Chinese goods for the forthcoming exhibition.

An interesting report on civil administration in Yunnan province during the past three years has been submitted to the central authorities by the Yunnan Provincial Government. The report states that the Yunnan Government has been encouraging the people, during the past three years, in the work of afforestation. Over 800 forest areas have been created. Besides copper and granite, Yunnan is rich in tin deposits. A new method of refining tin has been discovered, and the native tin is now no longer inferior in quality to the imported product. The government financial system in Yunnan, the report continues, has long been unified. A new bank has also been organized with a capital of $20,000-000, with a view to stabilizing the monetary situation in the province. With regard to highway construction, the report states that the provincial authorities have concentrated their attention and resources on the building of four trunk and six branch highways. In the past three years, a total of over 3,000 li (1,000 miles) of highways has been constructed. The Yunnan Provincial Government is also paying close attention to the promotion of education. Mass education is being fostered, and military education is enforced in all schools.

General Chiang Kai-shek's Appeal to Cadets

In a powerful speech before the entire body of the Cadets of the Central Military Academy and a large gathering of the high military commanders from the various parts of the country now at Nanking, General Chiang Kai-shek, President of the Military Affairs Commission, urged the students and the Army leaders to strive hard to regenerate the country and develop it into a strong power in the world. He appealed to his listeners by quoting the famous saying from the celebrated statesman and strategist, Chu-Kuo Liang of the Han Dynasty, "To toil yourself and exhaust your energy for the country until you reach your death." Referring to the "New Life Movement," General Chiang said that the Movement has a great bearing on the future and recovery of the Chinese Nation and that its principles should be observed and practised by all with sincerity and consistency.

While a multitude of affairs in the Capital is waiting for his attention, the principal mission of General Chiang Kai-shek's present visit to Nanking is to discuss with the Central Authorities matters concenning the convention of the 5th Plenary Session of the Central Executive Committee of the Kuomintang on December 10 and the messures for the bandit-suppression in Szechuan with General Liu Hsiang, stated Dr. H. H. Kung, Minister of Finance, in a press interview at Shanghai November 22.

Following his arrival at Nanking from Shanghai Nov. 25, Dr. Wang Chung-wei, the well-known Chinese jurist and Judge at The Hague Court of International Justice, had been busy in interviewing the high officials of the Government, including General Chiang Kai-shek, President Wang Ching-wei, Sun Fo, Yu Yu-jen others, and conferring with them on the situation in the South. While it is not known whether Dr. Wang will visit Canton again to further exchange views with the Southwestern leaders, it is believed that he would be persuaded to undertake another trip there before the conveming of the 5th Plenary Session of the Central Executive Committee at Nanking on December 10,

Nanking's Air Defence Drills

Nanking's air defense maneuvers which started in the night of November 20 with a preliminary light control drill and continued the following day throughout the day with regular "attacks" and defense measures were brought to an end in the morning of November 22 with a drill program in which negative relief measures were applied. It was imagined that a squadron of enemy planes had wrought havoc to the city in the morning by dropping more than 30 or 40 explosive gas and incendiary bombs with the result that fires had broken out, houses destroyed, a number of people wounded had telegraphic and telephonic communications out of order. A big building at the public athletie ground was on fire and fire brigades assisted by the populace nearby

set to work in battling the flame which were swiftly put out. Much destruction was imagined to have been caused in the Hsinchichkou section with water pipes and electric poles destroyed, roads bombed with big holes. The engineering corps which had been trained what they should do in the event of real warfare set to work and completed all the repairs within half an hour. Gas bombs were imagined to have been dropped at the Futzemiao section, and the anti-gas relief corps with masks and other equipment for battling the poisonous gas executed smoothly anti-gas measures.

$414,000 Paid to Chinese Diplomats Monthly

According to the 1934 budget, the Ministry of Foreign Affairs appropriates some $414,967 each month for salaries and expenses of Chinese ambassadors, ministers, consuls and other diplomatic officials abroad.

Ping-Han Railway Nets $25 Millions During Past 10 Months

The total revenue receipts of the Peiping-Hankow Railway up to the end of October of 1934 amounted to $25,823,000, according to a report made by the Ping-Han Railway Administration. This figure shows an increase of about $1,000,000 over the revenue received during the corresponding period last year. As the months of November and December are usually busy months, the Administration excepts to receive an additional income of $6,000,000 before the year is over. This will make the total revenue of 1934 about $32,000,000, which is the top figure achieved by the Ping-Han Railway Administration in 1923.

A total of $1,710,399.08 (equivalent to £114,886. 10/-.) towards the amortization of the loan obligations of the Nanking-Shanghai and Shanghai-Hangchow-Ningpo Railway Administrations, has been remitted to the British and Chinese Corporation. The payment includes £69,774 for the loan instalment due May 18, 1934 by the Nanking-Shanghai Railway Administration; and £45,112. 10/-. for the 55rd instalment due by the Shanghai-Hangchow-Ningpo Railway Administration. These figures also include interest and bank commission.

By arrangement between the Railway authorities and the Japanese creditors, payment of the loan obligations of the Nanchang-Kiukiang Railway Administration due this year will be postponed for two years. The amount of the indebtedness up to date totals $17 millions.

The inauguration of a new system whereby newspapers may be sent as baggage on the Tientsin-Pokow railway will decrease the freight charges for such publications some 50 per cent. Beginning on December 1, newspapers are not required to be sent to the Post Office for transmission to the cities along the railway but will be accepted in bundles at any station as ordinary baggage. Furthermore, the recipients may get their papers from the baggage car instead of at the post office which most newspaper agencies have been required to do in the past.

The business of the Nanking Waterworks is steadily increasing; monthly earnings are now over $40,000. In view of the growing demand, special arrangements are being made for the expanion of the service.

There are about 2,695 kilometers of highways open to traffic in Hupeh, and the average daily mileage run by the 193 buses is about 6,000 kilometers with a consumption of about 20,000 to 25,000 gallons of gasoline. These are some of the intereesting facts revealed by Lee Van-yee, Commissioner of Reconstruction of the Hupeh Provincial Government in a speech before the Hankow Rotary Club. Commissioner Lee also told the Rotarians that the Provincial Government now operates a fleet of 76 river steamers to the various cities along thee Yangtze and Han rivers in Hupeh.

Szechuen-Yunnan Air Line Planned

A new air line between Szechuan and Yunnan will be inaugurated early next spring by the China National Aviation Corporation. The project, including landing fields and weather stations, will cost approximately $250,000. Owing to climatic conditions along this route, American aeroplanes equipped with twin motors will be purchased for the new service.

Farmers Occupy 73 Per Cent of China's Population

According to statistics compiled by thee Agricultural College of the Nanking University, of the whole population in China, farmers occupy 73 per cent, while labourers, only 3 per cent. Large estate owners occupy 9 per cent, who possess 43 per cent of the land of the country .50 per cent of the farmers have no land at all, while 44 per cent of the whole nation have only 6 per cent of land. The unequal distribution of land makes farmers' standard of living becoming lower and lower. The average annual income of a farmer is estimated at only 26 dollars.

The biggest donors to the "Airplane Fund" of the Government are the Tien Chu Seasoning Powder Factory, Nanyang Brothers Tobacco Company, Shanghai City Chamber of Commerce, Ningpo Residents' Association of Shanghai, Shanghai Bankers' Association, Shanghai Flour Merchants' Guild, Central Military Academy, and Cheng Tanchao, according to a report received by the Ministry of Interior from the National Aviation Association. The Ministry will recommend to the National Government the award of Medals of Honor to the contributors.

British Loan for Szechuan Cancelled

The loan contracted by the Young Brothers Banking Corporation in Shanghai on behalf of the Szechuan Provincial Government with a British banking syndicate in London has been officially cancelled by an order of the Executive Yuan, according to a high reseponsible official of the Ministry of Industry.

China Imports $14,000,000 of Motor Cars and Radios

Motors cars and radio receiving sets imported into Shanghai during the first ten months of this year were valued at around $14,000,000. According to reports made public by the Customs Administration. A total of 252 trucks were imported into Shanghai during this period, valued at some $5,000,000. Of this figure 80 per cent were American manufactured while the balance was made up by British cars and other makes. Regular passenger cars numbered 2,265, with an aggregate value of over $5,000,000. American products also rank first with $4,353,0000; British second, $397,827; German third, $291,576. Motor car accessories shipped into Shanghai for the same period were valued at $1,053,000. More than $3,300,000 worth of radio receiving sets were imported during this same period. Sets made in America claim next valued at $274,694.

According to statistics released by the Shanghai Customs House, the total import value of tobacco leaves, during the first ten months of this year, was $22,065,944; of sigars, $1,298,905 of cigars and cheroots, $304,475; of wine and mineral water, $1,383,592, and of cosmetics, $1,076,102.

China Imports $2,000,000 Worth of Japanese Sharks' Fins

According to statistics, for the first ten months of this year China imported $2,000,000 worth of sharks' fins from Japan, showing an increase of $700,000 over the figure for the corresponding period last year.

A survey completed by the Ministry of Industry reveals that there are 136 foreign and Chinese spinning mills in operation in China at present with an aggregate capital of $474,109,480 and Tls. 50,000,000. More than 232,000 men and women labourers are employed in these institutions. According to the survey Chinese-owned mills lead with the largest number, the figures being 92 with a capital investment of $125,577,300 and Tls. 20,000,000. About 156,000 workmen are employed in these factories. Although Japanese mills only total 41 they have the largest investment which stands at $340,000,000 and Tls. 30,000,000. More than 63,000 labourers are working in Japanese mills. There are only three British-owned mills in China with a capital less than $9,000,000.

Statistics of Newspapers and Periodicals in Nanking

According to statistics compiled by the Nanking Municipal Government, up to the present, there are in the Capital 28 daily nwespapers, 12 bi-weeklies, 55 news agencies, and 71 magazines, showing an increase by three times compared with last year.

Construction of what will prove to be the largest and most important structure at the Civic Center of the City Government of Greater Shanghai, the Jukong Wharf, has been entrusted to the Central Bank of China. The undertaking is estimated at a cost of over $3,000,000, and the wharf, when completed, is expected to play an important part in the development of business and trade in Shanghai.

High Tariffs and Smuggling

BY PAUL K. WHANG (黃 仲 方)

IN writing this article, I must make it clear at the outset that I am not a free trader. In these times, economic nationalism has swept over the whole world, the principle of free trade has lost its appeal to the people. Even Great Britain, a country of free trade fame, has found it necessary to deviate from her accustomed course for the purpose of protecting her commercial interests. It now transpires that every country on the earth, big or small, has built up a tariff wall as high as possible in order to shut out foreign products with a hope of attaining the goal of self-sufficiency. The tariff war thus engaged has very much dislocated the international trade, and is partly responsible for the prolongation of the present world business depression.

In following the trends of the international economic policy, China, since she gained her customs autonomy, has also built up a tariff wall of moderate height. But it must be noted that the purpose of China's tariff has not been so much for protecting domestic industries as for securing a big revenue. Thus in many cases, high rates of import duties have been imposed on such articles as gasoline, sugar, artificial silk, etc. which are neither produced nor manufactured in this country and which must be imported from foreign countries to meet domestic demands. The necessary importation of such highly-taxed articles will, of course, bring to the government a big revenue in the form of import duties. But the tariff wall for revenue purpose, if it is built up too high, will defeat its own objective, as it gives an incentive to the unscrupulous merchants to operate smuggling on a large scale.

Decrease in Revenue

The Customs figures have disclosed that in spite of the recent increase of the import tariff, the customs revenue has actually decreased. According to Customs statistics, whereas the revenue for January—October, 1933, was $217,000,000, that for the same period this year amounted to only $216,000,000, despite the higher tariff, representing a decrease of $1,000,000. The reason to account for this, according to a spokesman of the Ministry of Finance, is "the existence and operation of an extensive and well-organized machinery for evasion of the customs." In order to safeguard the income of the government, the Ministry of Finance, as reported, has increased the appropriations for smuggling prevention and formulated a set of regulations for the punishment of smugglers.

For years the officials of the Ministry of Finance have taxed their brains to devise effective means to cope with this evil, and have spent a large amount of money in building up a fleet of cutters. In spite of the frequent seizures of smuggled cargoes made by the Customs authorities, the smugglers have been continuously seeking new ways to get round the tariff wall; and as a result, the market has been always over-flooded with cheap smuggled goods. Take artificial silk for instance. It is generally conceded that our consumption of artificial silk has been rapidly on the increase during the past few years, but the Customs figures, however, tell us a different story.

	QUANTITY	VALUE
1931	13.1 million catties	$29,047,798
1932	10.4 million catties	21,037,802
1933	6.9 million catties	12,227,391

It is an open secret that a large percentage of our supply of artificial silk has been shipped in through smuggling. This has been especially true since the time when the government, at the request of silk producers, raised import duties from G.U. 0.56 to G.U. 0.73 per catty in August 1932. The increase in the import duties on artificial silk has further encouraged the unscrupulous merchants to operate an extensive smuggling of artificial silk. We are told that during a recent week, the Customs authorities have seized as much as 28,000 pounds of smuggled artificial silk. What is true of artificial silk must be also true of sugar and many other articles.

The fact that a few of the military and naval authorities have sometimes lent their assistance to the smugglers has made the suppression of smuggling a very difficult task. It has often been alleged that the leaders of big gangs of smugglers are the proteges of some military or naval authorities, and that a few of the naval men, at a consideration of big prices, have permitted their crafts to transport smuggled and contraband cargoes. Take the recent *Hai Ying* case for instance, The *Hai Ying*, a small patrol boat belonging to the Kwangtung provincial harbor office, suspected of having engaged in smuggling foreign sugar and sea products into Kwangtung, was ordered to heave to by an anti-smuggling cruiser in the vicinity of Toishan, about 200 miles from Canton. Instead of doing so, the *Hai Ying* put on full steam ahead with the result that the anti-smuggling cruiser fired at her and sent her to the bottom of the sea.

This *Hai Ying* case should occasion us no surprise, but what deserves our attention is the fact that even a small patrol boat has been engaged in smuggling. Therefore the allegation that many Chinese warships have played an important role in transporting smuggled and contraband cargoes can not be said as an aimless and baseless charge against Chinese navy. Moreover, we have been told that in Szechuen opium traffic has been completely under the control of military authorities, and that in Honan, Hopei and other salt-producing centers, the smuggling of salt has been assisted by military men. Needless to say that the active participation of military and naval men in smuggling has made the task of its suppression exceedingly difficult.

China, with her long coast, has given the smugglers great facilities in conducting their illicit trade, and the more so after the Japanese forcible occupation of Manchuria and Jehol. The Japanese, taking advantage of the absence of customs barriers along the Great Wall passes, have moved their goods down to North China without paying any import duties. This state of affairs has once occupied the attention of Chinese officialdom, but the fact that the erection of customs barriers along the Great Wall passes would be tantamount to the extending of tacit recognition to the puppet state has deterred Chinese officials from carrying out any practical scheme to save the situation.

In the South, Hongkong has been the center of smuggling activities. With its proximity to South China coast, the unscrupulous merchants there can smuggle their goods to Kwangtung and other coast provinces. The Nanking Government has contemplated to establish a customs station at Hongkong as a means of checking extensive smuggling. But this plan has been opposed by the Southwest authorities who have contended that all trade and industry in Canton would suffer huge losses if the plan were put into effect, and that foreign territory would become prosperous at the expenses of business interests in Canton.

Allegations Against Japanese Naval Authorities

Furthermore, the Japanese naval authorities have assisted their merchants in jumping over the Chinese tariff wall by permitting the Japanese goods to be shipped to Chinese ports by warships. The Japanese consular officials have also sometimes abused their diplomatic privileges in aiding and abetting the Japanese smugglers. With the assistance of their naval and consular officials, the Japanese merchants can evade the payment of import duties on their goods shipped to Chinese ports, and dump their cheap goods on Chinese markets to undersell American and European products.

The old adage that it is always better to cure than to prevent can be well applied to the present smuggling situation. While we may increase appropriations for devising preventive measures, we should also give our thought to the means of curing this evil. That the smugglers have increased their activities despite frequent seizures of smuggled goods bespeaks that smuggling, as a profession, is highly lucrative. If we can only remove the incentive, then the smuggling will not be worth its many risks, Therefore it is a timely suggestion that we should revise our tariff and cut down the rates on those articles which have been known as being frequently smuggled to this country.

We are told that of the smuggled goods, sugar and artificial silk constitute a big volume. Both of these two products are not produced in this country, and have to be imported to meet our demands. The reduction of import duties on these two articles, therefore, will not adversely affect our native industries. It might be argued that the reduction of import duties on artificial silk would encourage its use by our silk weavers, thereby impairing the interests of our raw silk industry. But it must be noted that artificial silk is no longer a substitute for real silk and has become a necessary textile fabric. Before we can produce our own artificial silk, we must import it from foreign countries. Therefore the reduction of import duties on artificial silk will not affect our raw silk industry, but, on the other hand, will discourage the smuggling and increase the government revenue.

In a word, since our tariff is primarily for revenue purpose, the rates should not be so high as to make the smuggling a lucrative undertaking. Moreover, we are not militarily strong enough to deal with the smuggling operated by the Japanese warships. We must not be oblivious of the realities of the situation, and pretend that a big revenue can be obtained through the mere building up of a high tariff wall.

"Japan's War-Time Economy Must Be Controlled," Says Mayor-General Isogai

(By the Review's Harbin Correspondent)

THE virus of war seems to possess the Japanese very strongly. No sooner had the talk about it subsided a little than it has again been revived, this time by no less an authority than Major-General Rensuke Isogai, chief of the Second Department of the General Staff, who contributed a very interesting article in the current issue of the *Gaiko Jiho*, a Tokyo monthly. So far, this talk has been confined more or less within academic lines, without any attempt to put in on a practical basis; now Major-General Isogai approaches it from the practical point of view and makes a number of important suggestions concerning the measures to be taken by the Japanese Government now in order to defeat the enemies in the future. No single word has been said in the article about the enemy or the enemies Japan is going to fight against, but the readers are given to understand that it is here, around the corner, and that Japan must be ready to fight it.

Without going into details of his article, suffice it to say that, in General's opinion, Japan's war-time economy must be "controlled economy," meaning that, in time of war, the economic life of Japan and her dependencies, including, of course, Manchukuo, must be run by the Government, being subordinated to one objective, —pulling the Empire victorious through the vicissitudes of war. Inasmuch as the Government will then be under the guidance of the highest military exponents, it is presumed that the control of economic activities of the nation and its overseas possessions will be exercised by the General Staff as the life center of the nation then engaged in deadly struggle.

This control will be exercised over every phase of economic life. Not only will the import and export be rigorously supervised, it will also be done with all means of communication, irrespective of whether it is by land, sea, or air (evidently, all private motor-cars, trucks, and motor-cycles, will be commandeered, probably, without any compensation, as was done in Mukden in September, 1931).

"Economic Blocs" Proposed

Inasmuch as war throws enormous strain on national resources and finances, Japan must right now proceed with the formation of "economic blocs" with her neighbors, we are told. First of all, this "bloc" should be formed with Manchuria and Mongolia, whose resources should be tapped if Japan is to emerge victorious from the war. This seems to be especially imperative because, in the next war, Japan will be fighting alone, without any help from the outside, and likely amidst hostile conditions.

With this end in view, the General suggests the keeping of large stocks of war materials, such as fuel oil, scrap iron, building and structural materials, wool and cotton. Even the uniforms of students and policemen must be so made as to make them useful in time of war. Steps must be taken, he says, to augment Japan's gold and silver reserves; for this purpose, the Treasury must proceed with acquiring all available stocks in the country, as well as abroad; hoarding of precious metals and stones by private persons must be checked and appraised; measures should be taken to prevent the outflow of these valuables abroad.

Lastly, China must be induced to join the "economic bloc," forming together with Japan and Manchukuo three pillars upon which peace and welfare of Asiatic races should rest. The Chinese should be given to understand the futility and hopelessness of anti-Japanese agitation; also, those Japanese who regard the Chinese with contempt, must be dissuaded from doing it as an act inimical to the peace in the Orient.

Issues Beyond the Japanese Reach

All this makes a most interesting reading, and provokes a certain amount of thought. The publication of such articles, as this, by responsible military leaders (General Araki and Admiral Suetsugu are probably most prolific amongst them) gives the nation a false notion of security. On paper, all plans look good and irreproachable; however, in time of war, these plans lead nowhere, and very often shatter all hopes that have once been pinned on them. This especially seems to be the case with much praised Japanese war-mindness, for, no matter how earnestly their leaders would try to patch up weak spots of Japanese arms, there are a number of issues which by the nature of things are beyond their reach and as such cannot be attained.

In case of war, Japan's economy will not be "planned economy" as predicted by Major-General Isogai, and which is expected to be the case by all ardent patriots. While at the beginning it may follow the course outlined by the General, it will tend, as time goes on, towards confusion and disorder, ending, ultimately and unavoidably, in the collapse of her entire economic structure. It will be the economy of "seizure and confiscation," bringing in its train misery and starvation for the entire nation except, of course, a few chosen ones. Strange may sound this contention, yet there are a number of reasons leading to such conclusion, the correctness of which seems o be indisputable.

Much has been written and said about the inadequacy of Japan's natural resources, making her in this respect probably one of most poorly endowed spots in the world. What she has in abundance —raw silk—is of no use in time of war. In just the same position she is in respect of gold, which, after all, constitutes the main sinews of wars. According to *The Japan Chronicle* for November 1, her present gold reserve, upon which she will fall back in the very beginning of warfare, amounts to only Yen 461,767,000, which at par of exchange equals to Gold $230,160,000. This reserve is too infinitesimal and will probably be exhausted early in the hostilities. Neither has Japan any hope to replenish her gold stock to any great extent, because her gold mines are too poor and exclude any possibility of gold rush. According to *The Japan Year Book*, 1933, her gold production in 1929, 1930, and 1931 amounted to 10,422,322 kgr., 12,063,566 kgr., and 13,363,493 kgr., respectively, valued at Yen 14,764,627, Yen 16,115,449, and Yen 17,975,954, for the years mentioned.

In the money market, there is probably no more fickle and unstable currency than the yen. It fluctuates as no other currency. Every earthquake, typhoon, or mere change of the Cabinet is liable to send it down to depths from which it climbs up only after considerable efforts.

It is reasonable to assume that as soon as it becomes evident that Japan is going to be involved in war, the yen value will collapse both at home and abroad. There will be no power to arrest the downward flight of the yen not so much because it is a paper currency already, but, essentially, because of the utter absence of confidence in Japan's victory over her enemy, whoever it is. No matter what kind of "control" the Government may impose with a view to keeping the capital within the country, the flight of capital seems to be inevitable. Nothing will stop the outflow of capital. Why? Because, the wealth of Japan is concentrated, mainly and essentially, in the hands of only eight wealthy families, the names of which must be known to those who read newspapers, namely, the Mitsuis, Mitsubishis, Sumitomo, Yasuda, Okura, Okasaki, being the most prominent among them. Of these, the Mitsuis alone control 120 subsidiary and affiliated companies with a total capitalization of about 1,600,000,000 yen, or 15 per cent of all capital invested in the entire business of the nation (cf. *The Japan Year Book*, 1933, p.361).

Eight Wealthy Families Work as Compact Unit

These eight families constitute one compact unit. Their influence in finance and politics is tremendous and cannot be thwarted. Through intermarriage, they have become inseparably allied with the strongest clans of Choshu and Satsuma, that control the Army and the Navy; through these services they are therefore in a position to guide the destinies of the nation. And it is reasonable to expect that, by virtue of their position, these eight families will foreknow the coming war, and will start exporting the capital with due cognizance of the Government. It is reported that even now they keep a considerable part of their wealth abroad and in sufficiently liquid form.

Some people may say that this action will be utterly unpatriotic, but it is likely to occur because something of the sort had already happened not long ago, namely, in December, 1931, when Japan was forced off the gold standard. Then, these eight families were responsible for the shipment of Japan's gold bullion out of the country, and they would have certainly continued it until the last gold coin has been not shipped, had not the Government intervened and put an embargo on the gold export. The Japanese patriots may know that through these exports Japan lost, within but a short span of only eleven months, two-third of her entire gold reserve, that is, in the end of 1931, this gold reserve amounted to only 400,000,000 yen, instead of 1,072,273,000 yen, at which it stood before the lifting of the embargo. As is seen, when it concerns the money, there is no patriotism whatsoever, and the Japanese multi-millionaires have amply proved it.

The chaos in the money market, due to the collapse of the yen, will precipitate the utter chaos in the domestic and foreign trade as well as in the entire industry of Japan. While the munition industry will tremendously expand due to the war-time demand, all other industries are likely to be neglected. All prices for goods and services will soar up in reverse proportion to the sinking of the yen's purchasing power. All this will adversely affect the well-being of working and farming classes, whose sons will already be fighting and dying at the fronts.

The mobilization of the youth of the nation, constituting the best labor force in time of peace, either for the front or the rear, will have its own adverse effects. This will most probably be evident in villages, which will be denuded of best workers, called to the colors or to the munition factories. While for the first sowing and harvesting season, following the war, the calling of agricultural workers to the colors may have less adverse effect, any prolongation of the war is likely to worsen the situation.

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The food problem seems to hang heavily upon the minds of leaders of the Japanese General Staff. Judging by the figures given in the above quoted *Japan Year Book*, it appears that the rice situation is not so bad as usually supposed; the supply of this staple product has always been above the consumption. Considerable quantities of rice are being imported, it is true, from Korea and Formosa, but so long as the Imperial Navy remains in command of adjacent seas, these sources of supply will always be at Japan's disposal. However, there will arise a tremendous demand for rice and other food products from the Army, Navy, and industrial circles, a demand wasteful in every respect, so that it is reasonable to predict that Japan will very soon feel the shortage of rice and other food products. It will therefore be increasingly difficult to feed her population of 66,837,000. I doubt whether the rationing of food supplies, to which they will resort at once, will solve this problem to any degree of assurance. With a view to solving this problem at least partially, Major-General Isogai suggests the gradual abandonment of cocoon raising, advising to replace it with wheat growing and cattle-raising, a suggestion quite reasonable under the present conditions.

If Japan owes her present enviable industrial position and foreign trade to the Great War, when, as a matter of fact, she was alone trading with China, Australia, the South Seas, India, and other industrially backward countries, the reverse will be the case when the next war comes. This means that the derangement of her domestic economy will be followed by a loss of foreign trade. This seems to be so self-evident as to exclude any lengthy explanation. The only appreciable market to which she will cling to the last will be the Chinese market, mostly of North China, which she will try to bring into the orbit of her "economic bloc."

Japan Would Violate China's Neutrality

Military expediency know no law. If Japan will be fighting against the Soviets, irrespective of whether now or in years to come, it is likely that she will even occupy North China, converting it into a base of operations against the Red Army defending Outer Mongolia. China's protestations or even her armed resistance are likely to be crushed. So it happened in 1914 with Belgium, so it is likely to happen with China, too. The establishment of a *regime* in North China friendly to Japan and Manchukuo would, without doubt, greatly simplify this operation, so, it may be considered as an ultimate desideratum of the Japanese military circles.

The continuation of the war for any length of time will bring another problem, the problem of continuous supply of arms and ammunition. Having exhausted her bullion, with deranged foreign trade—for the supply of war materials, Japan will have to fall back upon her own resources, as well as the resources of her dependencies, including Manchukuo. According to the same *Japan Year Book*, her own production of iron ore amounts to only about 200,000 tons, which together with that of Korea and Manchuria, comes to about 1,250,000 tons in a year. This is insufficient even in peace time, so she has to import about 600,000 tons annually from foreign countries, mostly, India, the South Seas, and China.

The position with respect to iron and steel materials seems to be just the same. While her present output of these materials is reported to be quite equal in demand, it is self-evident that the demand in war time will increase out of all proportion, Japan being compelled to seek supplies from foreign countries. To remedy this situation, Major-General Isogai suggests the importation and storing of scrap iron from abroad, which—it should be admitted—is the wisest measure under the circumstances.

As regards sulphate of ammonia, used as fertilizer and ingredient of explosives, the consumption of which will in time of war increase tremendously, the quoted *Japan Year Book* claims that Japan has become self-supporting, and even it expresses the fear of overproduction. Considering the progress made in this industry recently in Manchuria, as well as the additional output of the new Mitsui plant, which is being built by Messrs. E. I. Du Pont de Nemours & Co., of New York, concerning which questions were raised by the Senatorial Committee investigating the manufacture and export of munitions, it should be admitted that in time of war Japan is not likely to experience any shortage of this vital product. Then, the peasants will have to revert to other fertilizers, if any.

Thus, it appears that the greatest danger for Japan during any major war lies in her dependence upon foreign supplies and extreme unstability of her economic structure. Any prolongation of the war seems to be deadly for her. The cognizance of this situation has been responsible, as far as it is heard in the interested circles, for that underlying principle of Japan's war plan (in fact, every General Staff has it own "war plans"), which envisages the bringing of "the issue to quick decision,"—the crushing of the enemy's resistance in the shortest possible time, preferably within a few weeks from the start of hostilities.

Major-General Isogai does not name the countries which are likely to be Japan's enemies on the battlefield, but there is a sufficient reason to imply from his writing that the U.S.S.R. and the U.S.A., taken separately or collectively, will be her enemies. The maxim of "bringing the issue to quick decision," in case of war with the U.S.S.R., may mean the crushing of the Red Army within the shortest possible time and occupying Russian territory up to a certain natural boundary. In case of war with America, it may mean the locating and sinking of the U.S. Fleet so as to make the Japanese Navy complete and unquestionable mistress of the Pacific.

Thanksgiving Day---1934

By the President of the United States of America

A PROCLAMATION

I, Franklin D. Roosevelt, President of the United States of America, hereby designate Thursday, the twenty-ninth day of November, 1934, as a Day of Thanksgiving for people of the nation.

Thus to set aside in the autumn of each year a day on which to give thanks to Almighty God for the blessings of life is a wise and reverent custom, long cherished by our people. It is fitting that we should again observe this custom.

During the past year we have been given courage and fortitude to meet the problems which have confronted us in our national life. Our sense of social justice has deepened. We have been given vision to make new provisions for human welfare and happiness, and in a spirit of material helpfulness we have cooperated to translate vision into reality.

More greatly have we turned our hearts and minds to thing spiritual. We can truly say, "What profiteth it a nation if it gain the whole world and lose its own soul."

With gratitude in our hearts for what has already been achieved may we with the help of God dedicate ourselves definitely to work for the betterment of mankind.

In Witness Whereof I have hereunto set my hand and caused the seal of the United States to be affixed.

DONE at the City of Washington this fifteenth day of November, in the year of our Lord nineteen hundred and thirty-four and of the Independence of the United States of America the one hundred and fifty-ninth.

FRANKLIN D. ROOSEVELT

However, in a final appraisal of their own resources, the Japanese Napoleons have seemingly come to know the inadequacy of Japanese natural resources to pull her through the vicissitudes of a major war. They might have won easy laurels had they continued the Manchurian operations right up into Eastern Siberia in the winter of 1932, when the Soviets were utterly defenceless, but this opportunity had been lost probably never to present itself. Under these conditions, all this talk about "war preparedness" in the Japanese press, as well as the latest turns of Japanese diplomacy vis-a-vis the Soviets and the United States should be considered as one big bluff, the true significance of which seems to be self evident. It frightens nobody.

Harbin, November 21, 1934.

A Cautious Colonel

The following "yarn"—it may be no more than that—was related by Reginald Sweetland, American newspaper correspondent, at a recent meeting of the Press Club in Tokyo.

"My most exciting or rather, unusual experience, was during one of the civil wars in China. I was assigned to write sketches of Chinese officers and troops in the trenches and I started for the front. I was warned by the consular people but went, nonetheless. I travelled as the guest of a colonel, headed for what I believed to be the front.

"One night, the train was held up by a bandit attack on the railway station shed. But at dawn it started moving again and soon pulled into the station.

"Here, to the amazement of all, we found the station master's head nailed up on a pole and the bodies of his staff strewn on the platform.

"No sooner had my host beheld this ghastly scene than he packed up. As he hopped off the train I asked the colonel where he was bound for. The Colonel said this was, to his regret, as far as he could accompany me.

"So I left my host and continued to the front. After fulfilling my assignment I turned back. The train took two days for an 8-hour run. At one of the stations, who should hop into my carriage, but my host, the colonel who was ostensibly to have gone to the front to direct the fighting. I asked the colonel why he had left. Nonchalantly, my former host answered, 'Oh, I didn't think it was safe. I have decided to return to Hankow.' "

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THE GIST OF JAPANESE PRESS OPINION

Treaty interpretations apart, can America with justice seek to compel other Powers to maintain the open door principle? It should practice what it preaches. By asking others to do what it will not do itself is unreasonable. Perhaps it can force its will on a weak nation, but certainly not on Japan. Look at the immigration policy of the United States: Though it has vast areas, it is enforcing a quota system. It discriminates, moreover, against Orientals, making it impossible for them to enter as immigrants. Eighty years ago the United States sent warships to Japan and forced it to open its doors; today it has closed its own doors to Japanese. What a contradiction.—*Hokkai (Sapporo) Times.*

America seems more concerned about the groundless rumors of the Anglo-Japanese reunion and of the South Sea island fortification than about Japan's proposition of disarmament.—*Tokyo Koksumin.*

One deplorable tendency of the London pourparler is its going astray from the real course of disarmament. For America, instead of giving due consideration to Japan's claims, consistent with the true cause of disarmament, discusses with Britain their cooperation against Japan at a conference where disarmament should be considered.—*Tokyo Asahi.*

The American Government should reconsider its policy. It has not benefited America and has seriously pressed Chinese industry. As a matter of fact China has been compelled to fall off the silver standard, thus straining Powers' China trade.—*Osaka Asahi.*

America cannot be regarded as having succeeded in her currency policy thus far. Some of the American inflationalists seem to advocate still further devaluation of the dollar. But what the United States really needs is restoration of confidence. —*Osaka Asahi.*

It is natural that Japan is reported to have decided to reject the British plan which gives Japan only a nominal parity of armament. If America and Britain are sincere in their compromise, such sincerity will be reciprocated by Japan. This necessitates close cooperation between the military and diplomats in this country.—*Tokyo Miyako.*

The latest statistical returns show an annual increase of Japanese population of nearly one million. The prevailing economic pressure must be attributed in part to the neglect by the authorities to take due steps against the over-population. —*Tokyo Nishi Nichi.*

The Japanese population is increasing at the rate of one million per annum according to the official returns. This, together with the limited natural resources of the country, makes it inevitable for Japan to take a positive policy of peaceful expansion abroad, and also of promoting the rural people's welfare at home.—*Tokyo Hochi.*

It is indeed fortunate that the C.E.R. negotiations now promise to end in a satisfactory agreement within the year. The Moscow authorities should know that their claim for Japan's guarantee concerning Manchukuo's payment of the C.E.R. price is entirely unnecessary and even improper since Manchukuo is an independent Power.—*Tokyo Miyako.*

Manchukuo's oil control act is proper since it does not close the door of the new Empire to foreign Powers. Powers' plan of threatening Manchukuo with oil embargo would be meaningless until such threat is extended to Japan. And this the Powers know would be impossible.—*Tokyo Miyako.*

China is largely responsible for the existing diplomatic impasse between herself and Japan. Nanking has succeeded in stabilizing North China and in crushing the Communist base at Juichin, and is likely to bring about national unification. Her next objective should be restoration of the proper Sino-Japanese relations.—*Tokyo Chugai.*

The official reports of rice crops issued for a second time this year shows further decrease by nearly 20 per cent. The consequent distress is most great in the Tohoku districts. The Government should counteract the effects of poor crops by instituting agricultural insurance service.—*Tokyo Jiji.*

The distress of the farmers in Northern Japan is so great that abolishing primary schools is reported. The Government authorities must take prompt measures to effect immediate relief for such suffering.—*Tokyo Miyako.*

Japan's Budget Set at Over Two Billion Yen--- Finance Minister Breaks Down

JAPAN'S largest peace-time draft budget has been set by the Cabinet at Yen 2,109,044,000. This figure includes Yen 3,400,000, in "revived" amounts in the appropriations of the ministries of the Interior, Agriculture and Forestry and Education.

The revival of these amounts represented a final concession on the part of Mr. Fujii, minister of finance, who on Nov. 23 allowed army and navy increases of Yen 27,000,000 each in their expenditures for 1935-36. The total deficit bond issue to enable these expenditures was set at Yen 750,358,000, a decrease of about Yen 59,000,000 compared to the total issue for this year. The Cabinet has also agreed on a draft bill for the taxation of emergency profits. The tentative measure, designed to bring in Yen. 30,000,000 in additional revenue, will be presented to the regular session of the Diet opening Dec. 24 for enactment.

Following several heated sessions, the Japanese Cabinet at 3.30 a.m. Nov. 23 accepted the majority of the demands of the Army and Navy for new expenditures. The Army's appropriation for 1934-35 in the Budget has been fixed at 490,000,000 Yen and the Navy's at 530,000,000 Yen. In order to provide the necessary extra funds for the two Services, provision has been made for a bond issue totalling 750,000,000 Yen. The *Asahi Shimbun* understands that the draft Budget will be balanced at 2,210,000,000 Yen. This figure, which is an increase of 90,000,000 Yen as compared with the last Budget total, establishes a new record.

Preparing for the "1935-1936 Crisis"

The demands of the Army and Navy for increased appropriations, which have been partially granted, were made on the ground that the perfection of the national defence was of paramount importance in view of the "1935-36 crisis."

The increase in the Naval appropriations will, it is stated, be used for the construction of auxiliary vessels according to the second replenishment program and also for the maintenance of new vessels completed in the first program. The higher cost of materials and the decline in the value of the yen are also reasons for the increase in the estimates.

While the provision for another bond issue is causing apprehension among bankers owing to the fact that the money market is already showing signs of indigestion, Japanese shipping and ship-building circles are happy over the reported decision of the Finance Ministry to continue granting a Government subsidy on replacement construction for Japan's merchant fleet.

It is learnt that, under the proposed second replacement construction plan, 500,000 tons of new ships will be built, the work to be spread over five years.

The huge military and naval appropriations, which comprise about 48 per cent of the total estimates, will stimulate the armaments, mechanical and ship-building industries, financiers declared.

Shares advanced considerably on the Tokyo Exchange Nov. 24, reflecting the satisfaction of local financial circles at the practical conclusion of the Cabinet's budget discussion.

Army and Navy Demands Cause Breakdown of Finance Minister Fujii

A victim of overwork and anxiety in connection with the largest Budget in Japan's history, Sadanobu Fujii, Japanese Minister of Finance, tendered his resignation to Premier Okada Nov. 26 on grounds of illness. Never very robust, the 49-year-old Minister was suddenly taken worse and reported to be suffering from pneumonia and chronic sinus infection. Mr. Takahashi, who was Minister of Finance in the Saito Cabinet, has been asked to take Mr. Fujii's place. Mr. Takahashi is an octogenarian. Meanwhile, an agreement between the Seiyukai and Minseito to co-operate in pulling through the national emergency by formulating a "long-sighted national policy" is contemplated.

Angered because Korekiye Takahashi, a party elder, had joined the Cabinet of Admiral Keisuke Okada without consulting with the leaders of the Seiyukai Takeshi Azuma and Sadoo Wakamiya, stewards, called on the new minister of finance Nov. 27 to urge him to withdraw from the party at his own initiative.

Mr. Takahashi replied that he was unable to do so and is said to have berated the present leaders of the Seiyukai for their narrow-mindedness.

Hot Debates Foreshadowed on Manchurian Reorganization

The Prime Minister, Admiral K. Okada, called Nov. 24 on K. Suzuki, president of the Seiyukai Party, C. Machida, leader of the Minseito Party, and the presidents of the House of Peers and the House of Representatives to seek their assistance and co-operation during the extra session of the Diet which opened November 27. Hot discussions are foreshadowed during the session, chiefly in regard to the proposed reform of the Japanese administrative organization in Manchuria and the rehabilitation program following the recent typhoon and floods in the northern provinces of Japan. The Government, however, is understood to have been assured of hearty assistance by the party leaders as a result of Admiral Okada's interview with them. A review of diplomatic affairs is expected to be given by the Foreign Minister, K. Hirota, in the House of Representatives on or about November 30.

Japanese With Documents Arrested in Front of American Embassy in Yokohama

A Japanese possessing documents and maps of military value which he hoped to sell to a foreign government at a price high enough to make good the losses he had incurred in speculation on the stock market was arrested in front of the American Embassy in Yokohama recently. Inspector Hirotada Hisayasu, head of the foreign affairs section of the Metropolitan Police Board, was coming out of the embassy, where he had gone on business, and noticed near the main gate a man who aroused his suspicion. The latter tried to escape when questioned, but the inspector pursued and overpowered him.

He told the police he was Takeshi Uchiyama, a farmer of Minami Uwonuma-gun, Niigata Prefecture. On him were found documents dealing with military preparations on the Japan Sea coast and a number of army maps of the district, which he confessed that he had hoped to sell.

Japanese Woman Claims to Be Mother of Reputed Chinese

A sensation has been aroused in Kobe by a suit filed in the District Court by Mrs. Riki Terauchi, who claims to be the mother of Go Kei Han, a well known millionaire, and President of the Toa Cement Company. It has hitherto been understood that Mr. Go is of purely Chinese blood, but Mrs. Terauchi in her suit alleges that he is the son of Mrs. Terauchi, his father being Masutaro Nagayabu. When still very young, the child was given away to the late Go Kin Do, who became a naturalized Japanese, at the same time legalizing the adoption of the boy.

Japanese Cultural Society Will Try to Revise America's Schoolbooks

Spurred by the results of an investigation conducted by the American Council of the Institute of Pacific Relations, international and educational bodies in Tokyo will undertake an extensive project for the dissemination of "correct and interesting information" about Japan among students of secondary schools abroad. The council's survey, revealed that the textbooks used in American schools presented very little information about Japan and Japanese life. This data was very often incorrect, it was stated. The Society for the Promotion of International Cultural Relations, the Japanese Council of the Institute of Pacific Relations, the Imperial Education Association and the Education and Foreign Ministries will co-operate in the undertaking. The project provides for the publication of new reading material, new reference textbooks for teachers, new material, better methods of teaching, and portfolios containing pictorial and other graphic material for schoolroom use. Emphasis will be laid on a correct and interesting presentation of the material, it was stated.

Actor Who Survived Death Pact With Girl Is Suicide

Shinjiro Nakamura, 28-year-old vaudeville actor who two years ago alone survived a suicide pact with Miss Yoshiko Takanawa, young singer of the Moulin Rouge revue, was found dead from an overdose of sleeping drugs in his room in an apartment house in Tokyo, Nov. 15. On a shelf near his bed was a photograph of Miss Takanawa and one of Miss Yukie Nambu, former Moulin Rouge star and recently Nakamura's stage partner.

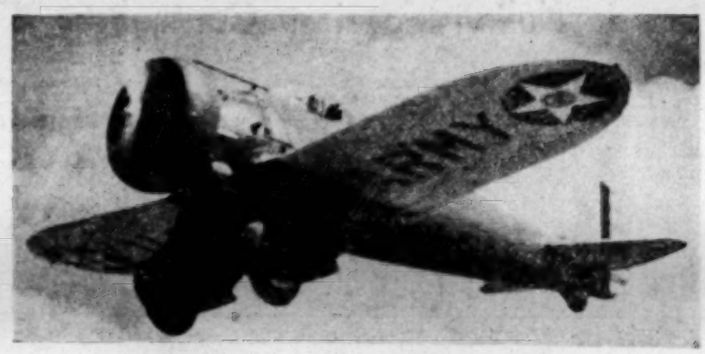
Fifty-three Die When Japanese Mine Is Flooded

Fifth three miners were drowned when a gallery in the Matsushima coal mine, Nagasaki prefecture, was flooded during the morning of Nov. 25.

Air Port Selected for Manchukuo-Japan Zeppelin Service

Mohara, a small town in the centre of the Chiba peninsula, 45 miles south-west of Tokyo in direct line of flight, has been selected for the future airport in connection with the proposed purchase of a Zeppelin-type dirigible from Germany for the establishment of a Manchukuo-Japan airship service. A huge hangar, obtained by Japan from Germany soon after the World War as part of a reparations payment, now erected at the Kasumigaura naval air base will be dismantled and brought to Mohara to be enlarged and rebuilt.

IT'S HERE!



BOEING FIGHTER P-26A

A DEMONSTRATOR
WILL SOON BE EXHIBITED
IN CHINA.
THE STANDARD FIGHTER
FOR THE UNITED STATES
ARMY AIR CORPS.

BOEING AIRPLANE COMPANY, INC.

UNITED AIRCRAFT EXPORTS, INC.

HAMILTON HOUSE SHANGHAI

New Japanese Boat for Vladivostok Run

In view of the increased number of passengers and amount of freight on the Vladivostok-Tsuruga-Yuki lines, the Kita Nippon Kisen Kaisha, a Nippon Yusen Kaisha subsidiary, has purchased the *Seiko Maru* from the Machida Co., Kobe, to replace the *Amakusa Maru* now plying between the three ports.

The *Seiko Maru* which displaces 3,093 tons, will be renamed the *Siberia Maru* and refitted. She will enter service on May 16, when she will start from Tsuruga.

A Language Commission Established in Japan

The establishment of a National Language Commission was formally decided upon at the Cabinet Council in Tokyo Nov. 21 and the official regulations governing the new body have now been made public. The official reasons for its creation are that the Japanese language as it is now spoken and written leaves much room for reform in grammar, in pronunciation, in the adjustment of the forms of characters, in the use of abbreviations, and in other directions. The proper control of words of foreign origin is called for, and honorifics and newly coined words deserve due consideration and proper adjustment.

Japanese Government Says Java Shipping Problem Is Private Affair

In view of the strained relations between the Java-China-Japan Lijn and Japanese shipping companies in connection with the pool scheme, the Tokyo Foreign Office last week sent a telegram to Dr. Nagaoka, the chief Japanese delegate, in Batavia, clarifying the position of the Japanese Government.

The Japanese Government, says the message, has nothing to do with the present plan of Japanese shipping companies. Convinced that navy problems arising in the Freight Conference ought to be settled by the Conference itself, the Japanese Government was opposed to putting the shipping issue on the agenda of the Batavia parleys from the very beginning, and this belief is still unshaken. Dr. Nagaoka was instructed to explain this attuitde of the Japanese Government to the Netherlands Indies delegation.

As regards the sugar problem, the Tokyo Foreign Office has warned Dr. Nagaoka of continued opposition on the part of the Japanese refineries to any imports. Dr. Nagaoka was instructed to reject flatly any proposal calling for a restriction of planting in Formosa, or the prevention of the re-export of Japanese sugar.

Japanese Cotton Magnate Warns of Over-Production

Fusajiro Abe, President of the Japan Cotton Spinners' Association has contributed to the *Tokyo Asahi* an article in which he says :—"Riding on the wave of the export boom, Japan's cotton industry has been doing very well in recent years. But this headway has stimulated the establishment of new mills or extension of existing mills, and the increase of spindles is now taking place with amazing rapidity. The result is that there are indications of overproduction. The necessity may arise in the latter part of next year for Japanese spinners to work on a single shift basis."

Japan Will Challenge U.S. and Europe Auto Industries

"Japan—exporter of automobiles that are low in price but excellent in quality." Such will be the slogan to be heralded soon throughout the world, as the announcement comes that 900 Made-in-Japan midget autos will find their way to Europe next year, following the signing of contracts with firms in Germany and the Netherlands. Five hundred cars will be supplied to Germany and 400 cars to the Netherlands. The manufacture of these baby autos was started two years ago by the Nissan Automobile K.K. in Yokohama. In Melbourne, a special assembly plant, similar to the Ford assembly plant in Japan, has already been established. Contrasted with the Austin cars, which cost some 140 English pounds, the made-in-Japan midgets are priced at about 90 English pounds.

Another Tokyo Scandal---Mayor's Alleged Gifts to 136 Members of Assembly

The Tokyo Municipal Assembly has been prolific of scandals. The *Japan Chronicle* says that although each revelation has been followed by a purging movement, the general situation in the Assembly remains as bad as ever. A movement has for some time been brewing to drive Mr. Ushidzuka out of the Mayoralty. A certain individual filed a plaint Nov. 21 with the Procurator's Office of the Tokyo Chiho Saibansho against Mayor Ushidzuka, Mr. Mori, President of the Muinicipal Assembly, and 136 members of the Assembly. It is alleged in this plaint that about July this year, when the Mayor was being bitterly criticized in the Assembly, Mr. Ushidzuka, under the coercion of some As-

semblymen, offered Yen 500 each to 140 members of the Assembly, and all except three accepted the money. The Mayor took care, it is further alleged, to make it appear that the gift was remuneration for their imaginary services. The total sum of Yen 70,600 (the President and the Vice-President of the Assembly got Yen 800 each) was defrayed out of the Waterworks Bureau's fund.

"Blood Brothers" Sentenced to Life Imprisonment

The prolonged trial of members of the Blood Brotherhood on a charge of assassinating the late Finance Minister J. Inouye, and Baron Takuma Dan, managing director of the vast Mitsui interests, came to a close in Tokyo November 22.

In spite of the fact that the judiciary had received more than 300,000 letters from every part of the country pleading for leniency, Nissho Inouye, a priest and the fanatic leader of the super-reactionary organization, and two of his subordinates, Tadashi Konuma and Goro Hishinuma, were sentenced to imprisonment for life.

Other sentences were: Eiji Furuchi, Yoshitaka and Totsumoto, fifteen years each; Shohachiro, Ike Bukuro, eight years; Tarosuda, Sukehiro Kukida, Kumo Tanaka and Toshiyu Kitagura, six years each; Kenjimori, Daiji Kurosawa and Takashi Hoshiko, four years each; and Hiroshito, three years.

On the eve of the conclusion of the trial, a dramatic plea was made by the Abbott of the Ryutaku Buddhist Temple, on behalf of his favorite disciple, the priest Nissho.

Describing the character of Nissho, the elderly priest asserted that the accused, after years of religious ordeals, evolved his philosophy of life and, therefore, was a perfect disciple of Buddha. Declaring that equality without discrimination and discrimination without equality contravened the gospel of Buddhism, he averred that man, sky and earth, the three essentials of the universe, formed the backbone of the national foundation on which Japan was placed.

Then, in a ringing voice, he read a poem by one of the greatest heroes of the Meiji area, singing the patriotic spirit of the Japanese subjects and cried out: "Does any one of the 80,000,000 people in Japan speak ill of the motive that actuated Nissho and his followers to resort to such acts? Certainly not, except a mere handful."

Former secret service agent of the Japanese army, one-time adviser to a Chinese warlord, temporary trader and fanatical follower of the one militant sect of Japanese Buddhism, Nissho is 49 years of age. He went to Manchuria in 1910 after attending the Tokyo Kyokai (Oriental Association) College, and obtained employment in the South Manchuria Railway Co. as a liaison officer of the Army General Staff. Three years later he was transferred to Peking, to work under Lt.-Gen. R. Banzai, who was at that time military advisor to the late President Yuan Shih-kai.

During the years of the World War, Nissho acted as a spy for the Japanese forces stationed in Tientsin, and, in 1916, when the Shantung civil war broke out, he became an advisor to Gen. Yu. He returned home in 1921 and took up the study of Nichirenism and, through it, came to entertain the idea of becoming a terrorist reformer on account of his disgust with the corrupt state of politics. Taking up his quarters in the Rissho Kokokudo, a temple-like institution in Ibaragi Prefecture, he gathered young men around him and preached to them regarding the need of drastic reform in politics and economics. In November, 1930, he moved to Tokyo in order to facilitate his work and attracted an increasing number of young men to him, to aid him in the execution of the plot that finally developed into the Blood Brotherhood affair in the opening days of 1932.

It was shortly after the assassination of Baron Dan in Ma ch last year that Nissho Inouye, who had taken refuge in the house of the veteran reactionary leader, Mitsuru Toyama, came out of hiding and surrendered voluntarily to the police, but it was not until June 28 this year that the public trial of himself and his fellow conspirators of the Blood Brotherhood commenced.

For just one month it proceeded smoothly, but on July 28 the court room was thrown into confusion, when Inouye suddenly rose to his feet and started to hurl charges of incompetency at the presiding judge and his assistant, while one of the other accused pounded the table with a tea cup and made similar charges. Order having been temporarily restored, the other defendants were questioned by the judge as to whether they also challenged the court. All but three having replied in the affirmative, the trial was adjourned amidst renewed disorder.

Hupeh Inland Waterways Steamers Operate Efficiently Under Government Control

Speaking before the Hankow Rotary Club Nov. 22, on "Hupeh Highways, Waterways and Long Distance Telephones," Van-Yeh Lee, Commissioner of the Bureau of Reconstruction, mentioned *inter alia* that since last March, the Hupeh inland waterway steamers have all been put under the Government control and management, with a view to improving the service, insuring the safety, and encouraging the movement of passengers and goods. Private owners of the steamers are guaranteed 8% interest per annum on the assessed value of the vessels; and by the end of last June, they were paid, besides the 8% guaranteed, another 8% bonus and 10% depreciation in cash.

There are at present 57 steamers and 19 motor vessels controlled by the Government. Although most of the vessels are less than 30 meters in length, and are of wooden construction services are maintained on 21 lines up and down the Yangtsze and Han River, and their tributaries, with daily schedules. Over one hundred cities and towns are called at by these vessels, and over 6000 passengers are transported every day. Statistics show increasing of revenue month by month, for instance, roughly $69,000 in July, $84,000 in August, $102,000 in September, and $108,000 in October.

Kuling Foreign Control to End

BY G. L. MOORAD

IN view of the recent agitation concerning Chapoo Beach as well as for other obvious reasons, the pronouncement of Chiang Chih-cheng, Director for the Administration of Lushan (Kuling) Projects, that the Chinese Government would take over administrative powers in foreign residential areas in Kuling, Kiangsi, from the missionary-controlled Kuling Estate next spring, it is likely that a storm of discussion on foreign rights will be raised, although probably not emanating from the principal landholders, a number of whom have expressed the opinion that such a move is inevitable.

According to the official announcement, the Government has in mind for the famous holiday resort a program of construction which will include electricity installations, a waterworks system, recreation grounds and other improvements for which funds have already been set saide. The carrying out of this work, it was implied, would necessitate the assumption of administrative rights which the Kuling Estate Council has held for 37 years.

Kuling, outstanding for its mountain beauty and temperate climate, was first negotiated for by three Englishmen, well-known in early Shanghai days, on a 999-year lease from Manchu officials. They sub-leased parts to friends who were appreciative of its holiday possibilities, and this arrangement continued until about 37 years ago when the lot-holders, a majority of them missionaries, formed the Kuling Estate, a private association registered with the British consulate at Hankow.

Kuling Popular With Officials and Missionaries

In years that followed Kuling grew in popularity with both foreigners and well-to-do Chinese, who built substantial summer homes in the district and made such public improvements as their co-operative venture warranted. Numerous roads have been built and a public library, a swimming pool, and an auditorium capable of seating 600 people have been erected during the Estate Council regime. There are three schools, the largest of them American, two hospitals and a sanatorium, a hotel and a number of boarding houses of foreign enterprise which brings the investment of lot-holders to well over a million dollars. At least one missionary family has become comparatively wealthy through their Kuling businesses which include a private hotel, a provision store and a canning factory.

Last summer saw 4,297 guests register with the Kuling Estate records, the highest in five years, according to the annual general report made in August. Of these 2,109 were Chinese, 700 Americans, 485 British, 142 Germans, 94 Russians, and so on to include 25 different nationalities. Lot-holders (they are called lots regardless of size) represent 14 nationalities, with Americans, Chinese and British leading in the order quoted. On the governing body of 12, headed by the Rev. William R. Johnson of Nanchang, there are two Chinese representatives.

In latter years prominent Government officials including General Chiang Kai-shek, Dr. H. H. Kung and others have taken or erected summer homes in Kuling, and the place has become a favorite for summer conferences. It is due particularly to their presence, foreigners believe, that adjacent Chinese districts are unusually well kept and improved. Favorable reports concerning Magistrate Tsiang, a capable official who is directly responsible for the construction of new roads and buildings, are frequently heard. Every attempt is being made by the Chinese authorities to preserve the natural beauty of the area, which during the Tang and Sung Dynasties was a center for higher learning, a quiet retreat for the scholars of an earlier day.

British Consular Authorities Do Not Object

Negotiations have been going on between the Government and the British Consulate at Hankow for rendition of the administrative rights for nearly two years, and information at hand indicates that the consular authorities incline favorably to the proposal. It is quite certain that control of the area will be resumed by the Chinese next year.

It is to be expected that much talk and protest will be current in certain quarters referring to the terms of the 999-year lease, an agreement which would seem to reflect as unfavorably on the lessese as on the Manchu officials who thus signed away the country's rights. It is but natural that the lot-holders themselves should not desire the change, but those who have spoken on the subject have confidence that their property will in no way be disturbed and that the Chinese Government will be able to effect public improvements long needed, but which the means of the cooperative venture could not afford. They have the comforting precedent of Luling, adjoining settlement, to refer to. This former Russian settlement was taken over about 1927 and since that time has been run in exemplary manner, according to resident's reports.

PEIPING-LIAONING RAILWAY

ABRIDGED TIME TABLE

1st July, 1934 and until further notice.

DOWN TRAINS										UP TRAINS							
41 Slow D 1 2 3	301 Ex. S D 1 2 3	1 Ex. S D 1 2 3	305 Ex. S D 1 2 3	23 Fast D 1 2 3	5 Ex. D 1 2 3	21 Ex. S D 1 2 3	3* Ex. S D 1 2 3	MAIN LINE STATIONS		302 Ex. S D 1 2 3	22* Fast D 1 2 3	42 Slow D 1 2 3	4 Ex. S D 1 2 3	24 Fast D 1 2 3	2 Ex. S D 1 2 3	306 Ex. S D 1 2 3	6 Ex. D 1 2 3
5.45	15.05	8.45	18.50	13.15	16.30	20.15	10.55	dep.	Peiping - - -	arr.	10.24	11.29	17.55	18.42	23.17	9.18	8.19	11.50
6.20	15.36	9.13	19.20	13.46	—	20.48	11.24	,,	Fengtai - - - -	dep.	9.54	10.55	17.21	18.15	22.48	8.47	7.49	—
7.45	16.40	10.21	20.26	15.01	—	22.08	--	,,	Langfang - - -	,,	8.50	9.26	15.43	—	21.34	7.45	6.43	—
9.16	17.50	11.28	21.39	16.30	19.07	23.38	13.32	,,	Tientsin Central	,,	7.40	8.03	14.14	16.05	20.11	6.39	5.30	9.15
9.25	17.59	11.36	21.48	16.39	19.15	23.47	13.40	arr.	Tientsin East -	dep.	7.30	7.50	14.00	15.55	20.00	6.30	5.20	9.05
9.35	18.20	11.50	22.20	16.55	—	24.00	13.50	dep.	,, ,,	arr.	7.05	7.36	13.46	15.40	19.50	6.15	4.50	
10.38		12.47		18.03	Stop	1.10	14.47	,,	Tang-ku - - -	dep.		6.31	12.46	14.45	18.51	5.11		
11.46		13.45		19.08		2.18	15.40	,,	Lu-tai - - - -	,,		5.26	11.41	13.48	17.43	4.08		
12.52	FOR SHANGHAI	14.42	FOR PUKOW	20.11		3.32	16.39	,,	Tang-shan - -	,,	FROM SHANGHAI	4.15	10.30	12.50	16.37	2.58	FROM PUKOW	
13.39		15.17		20.47		4.20	17.14	,,	Ku-yeh - - -	,,		3.30	9.44	12.18	16.05	2.16		
14.29		15.49		21.21		5.12	17.46	,,	Lanhsien - - -	,,		2.32	8.45	11.39	15.22	1.18		
15.32		16.31		22.11		6.18	18.28	,,	Chang-li- - - -	,,		1.29	7.40	10.58	14.37	0.19		
16.16		17.04		22.46		7.07	19.01	,,	Pei-tai-ho - - -	,,		0.39	6.54	10.27	14.00	23.31		
16.43		17.23		23.08		7.33	19.20	,,	Chin-wang-tao -	,,		0.01	6.25	10.04	13.35	22.59		
17.05		17.40		23.26		7.55	19.37	arr.	Shan-hai-kwan -	,,		23.30	6.00	9.45	13.15	22.30		
		18.40						dep.	,,	arr.						21.26		
		16.25						arr.	Shenyang (Mukden)	dep.						10.15		

S. D.—Sleeping and Dining Cars. D. Dining Car.

Refund of Fares :— Passengers must get Station Master to endorse ticket in connection with which they intend to claim refund.

No. 3 and 22* Temporary suspended.

Tientsin, 1st July, 1934. BY ORDER.

Britain Says China's Integrity Must Be Considered at All Times

Sir John Simon, the British Foreign Secretary, stated emphatically to the Japanese Ambassador and chief delegate to the naval discussions in London last week that China's interests must be considered at all times, especially with respect to her territorial integrity.

This is a fundamental aspect of Great Britain's Far Eastern policy and one from which there could be no departure, and the British Foreign Office has stated this clearly and unmistakably to the Japanese Government through its official representative in London.

Observers in the British capital believe that the re-affirmation of this policy has contributed conspicuously to an improvement of the Anglo-American understanding. It is also understood that Sir John's statement has assuaged the Nanking Government's fears that any concessions towards Japan's demands for naval parity would place China "more than ever at Japan's mercy."

Japan Suggests Joint Denunciation to France and Italy

Joint denunciation of the Washington Naval Treaty was officially proposed by Japan to the French and Italian governments Nov. 27. Should the Italian and French governments decline to join Japan in terminating the treaty, Japan "will not hesitate in notifying other signatories that Japan no longer can abide by the terms of the treaty," a high Tokyo Foreign Official stated in Nov. 27. Notification of intention to terminate the treaty must be issued two years before the treaty loses its binding power according to the terms concluded in 1922. A message from Paris stated that the first impression is that the French Government is not likely to adhere to the Japanese proposal as it now stands.

Japan Links Immigration with Four-Power Pact

The Japanese Government is prepared to discuss proposals for a new treaty extending the period of the present Four-Power Pact, provided other nations refrain from taking the attitude that Japan is a defendant, it was reported in the Tokyo *Nichi Nichi*, Nov. 27. It suggests that, in the event an international discussion of political questions be held, it should be all-inclusive, including the Canadian and American immigration restrictions now in force.

Senator Nye Sides with Japan

Japan's struggle for naval equality received decided support from an unexpected quarter in New York, Nov. 24, when in a speech before the Foreign Policy Association, Senator Gerald P. Nye, progressive-Republican, from North Dakota, declared that Japan's decision to terminate the Washington Naval Treaty was entirely justifiable. Senator Nye stated that in his opinion the United States and Great Britain should grant naval equality to Japan if they are honestly seeking a reduction in world armaments.

Insulls Acquitted---Must Still Face Illinois State Indictments

Samuel Insull, his brother Martin, and fifteen others were acquitted at Chicago, Nov. 24, on charges of fraud and swindling preferred by the Federal Government in connection with the failure of the Insull group of utility companies. Samuel and his brother Martin have still to face Illinois state charges of embezzlement by alleged use of company funds for stock market speculations.

Sensational Charges Made by Maj.-Gen. Smedley Butler

Major-General Smedley Butler, former commander of the U.S. Marines in China, in testimony before a House investigation committee Nov. 20 charged that $3,000,000 was offered as a campaign fund by Gerald McGuire, a Wall Street stock broker, for the nominal objective of bringing about the return of the gold standard and destruction of the communist movement and that the plotters had approached him several times to obtain his leadership in a movement to raise $50,000,000 as a working fund. The half million war veterans were to be mobilized and armed with weapons obtained through the Remington arms firm with the support of the head of the Dupont chemical firm to capture the government machinery in Washington by a sudden coup, and finally turn toward "fascistication" of the national structure through turning the unemployed into an armed group centering about the Civilian Conservation Corps.

K. C. Li in New York Address Stresses that China Wants Stable Silver Price

Copies have been received in Shanghai of the full text of the address on "Silver and Chinese-American Trade" by K. C. Li, president of the Chinese Chamber of Commerce, governor of the Commodity Exchange, and president of the Wah Chang Trading Corporation, New York, before the American-Chinese Trade Council, November 1. The gist of the address was telegraphed out to China at the time and printed in *The Review* (page 382, Nov. 10). The principal point in Mr. Li's address was that China wants a *stable* silver price—the matter of whether it is high or low being of minor consequence.

"Develop North Manchuria!" Nippon Cries Louder

BY THE REVIEW'S TOKYO CORRESPONDENT

(Translations from various Japanese publications)

THE view that a centre of activities should be placed in north Manchuria not only from view point of large scale emigration but of all other phases of national activities of Manchukuo has often been discussed, and fragmental informations and views were expressed on the subject through periodicals by those who actually studied economic and other conditions in north Manchuria.

The question seems to have suddenly gathered light of hope of late, especially since this autumn when national sentiment toward Soviet Russia began to soften. Especially noteworthy on this point is the fact that editorial management of the *Chuo Koron* (Central Review) requested Dr. Seiichi Kojima, a foremost student of economics and conditions in Manchuria, to write on the subject of "Centering activities in north Manchuria" and published the article in the November issue of the magazine. In the prefatory remarks the writings Dr. Kojima states, the question whether the exploitation of Manchuria should be made with north Manchuria as the center is widely discussed in the district of Harbin and it has gathered more strength since the reported favorable turn of the N. M. R. negotiation."

It is to be specially noted that the voices favoring the establishment of the centre of all activities in north Manchuria are not the product of optimistic reports on north Manchuria or any thing of the kind; quite a pessimistic and serious opinions and forecasts are also made on economic and other conditions in north Manchuria through responsible publications. Dr. Kojima, who recognize the need of centering activities in north Manchuria, himself states in November issue of the *Chuo Koron*, "During last year only Yen 912,000 amount of export was made against Yen 2,687,000 for 1928. This is the most reliable data showing the miserable state of dwellers in north Manchuria. In the former there is woven the movement of goods as material for "construction", and it may be said that the actual condition of the natives must be far more pitiable than represented by the figure. Thus the economic situation in north Manchuria is extremely miserable. Besides, whereas there is going on in South Manchuria heavy and chemical industries required for military need, no such modern enterprise worthy of mentioning is seen in north Manchuria except gold mining and cement industries." Akira Kato, president of the Harbin Chamber of Commerce publishes his own observation in the *Diamond* something as follows, "In north Manchuria no local industry worth of the name is started for the benefit of the individual prosperity of the natives due to lack of maintenance of peace. The agrarian community is greatly distressed since the conflict in 1929 between China and Russia. Later, a long chain of events, such as the rampancy of bandits, the innundation in 1932, China's boycotting the products, and the consequent slump of firm products, have chased them up almost to the starvation-line and paralyzed the purchasing power of the inhabitants. Numberless traders and industrialists are meeting bankruptcy." As another reliable comment testifying to the helpless conditions in north Manchuria undermentioned is an article from the Oct. 1 issue of the *Manchu Nippo* (滿洲日報) published in Dairen. After going over in details the existing business inactivity that reigns throughout north Manchuria with Harbin as its centre the paper states roughly as follows referring to the limping relation between "construction prosperity" and native industry in north Manchuria: "The economic world of north Manchuria is now beginning to suffer from two outstanding contradictory development (1) against comparatively active state of economy in towns the firming community is greatly distressed (1) among traders in town Manchukuoans are distressed when the Japanese merchants enjoy prosperity. Such a contradictory phenomenon will not last long. Unless the agricultural economy is rehabilitated on a sound basis, no temporary flourish of the towns and the prosperity monopolized by the Japanese will pave a way to steady development of north Manchuria, it is feared.

The authors of the following articles are all regarded as second to none as the students of Manchurian affairs and can be considered as being well aware of the existence of these pessimistic remarks on north Manchuria.

North Manchuria Still Undeveloped

Akira Kato (加藤明), *President of the Harbin Chamber of Commerce-Diamond, September:* In Manchuria southern part where there is abundant natural resources has already been exploited and developed; whereas north Manchuria is still left untouched. The exploitation of north Manchuria will accompany far more difficulties than that of the south but it is more hopeful. I am quite confident that in future the day will come when north Manchuria becomes the economic centre of Manchukuo—north Manchurian age will never fail to advent. . . . . In the southern part resources such as iron deposit at Anshan and coal at Fushun have already been exploited by modern science, whereas in the north its abundant resources have been left untouched—the first road for exploitation was constructed by Russia but before it was completed the Great European War occurred and the work was suspended. Later, the military clique of Russia gave no heed to the cultivation enterprise of the resources. As north Manchuria comprises half the entire area of Manchukuo and inexhaustible deposits of natural resources, when it is developed in future it will become the fountain-head of activities throughout Manchukuo. (Against this optimistic expectation of Akira Kato Dr. Seiichi Kijoma states in refutation as follows—*Chuo Koron*, November: "I cannot but have doubt about this optimism of Kato. Of course north Manchuria is, unlike south Manchuria, still virgin soil, but the fact is that it is because of its unworthiness that its exploitation has been neglected. Mr. Kato says there is inexhaustible deposits of natural resources there, but even if there is, have they so high an economic value as he might imagine? No industry except gold mining, agriculture and stock-raising promises to thrive there, although as yet no reliable investigation is available. If left as it is not a ray of hope would brighten the north Manchurian plain.)

Teijiro Kawamura (村貞次郎), *Director of the Mitsui Bussan Kaisha—a pamphlet entitled "Personal Plan for the Development of Manchuria and Mongolia"* (His view on the development of north Manchuria published in book form has drawn no small attention of those who are seriously interested in the problem) For the development of the vast field of north Manchuria we should never think of attaining its object with so small an investment as 5 or 6 million yen. With at least 4 or 5 hundred million yen a large company like S. M. R. should be established. It is reported that the First and Second Five Year Plans of Soviet Russia promise to lead the agricultural enterprise to a success. This is but an example of many. If only we stand the yearly expenditure of 10 or 20 million yen for the first 5 or 6 years without having an eye on raising profit therefrom, I am quite confident that the plain of Manchuria and Mongolia will be converted to what you may now look forward to. Those who do not agree to my schedule say it is a nice idea but it is absurd to expect the birth of so large a concern at this time of business depression. I am not at all discouraged by such refutations, however, because I know that if only the Government works at it in the spirit in which it organized the S.M.R. That is to say, the Government should bear half the capital of Yen 4 or 500,000,000 the remaining half being taken over by the Japanese, Manchukuoans or the Chinese. The capital required at the beginning would be 40 or 50 million yen. But, even so, the capitalists might hesitate to invest on the ground that the concern brings no profit for some time. However, taking into consideration that such cry as "Down with financial cliques" or "Down with capitalists" now echoeing loud throughout the country, it might not be so difficult a task to persuade the financial magnates to invest 20 or 30 million yen per head. If this is a burden too heavy to be borne by the Japanese capitalists, the vast plain of Manchuria and Mongolia would do no good to us; it would be converted into a favorite haunt of profit hunters of various kinds.

Toshiro Kishii (岸井壽郎), *Adviser to the Tokyo Nichi Nichi—in book form entitled "Our settlers' village in Manchuria":* In conclusion I may say that if the Government is willing to grant Yen 1,000 per family of emigrants, yearly expenditure of Yen 100,000,000 will send out 100,000 families, or 500,000 people. In 10 years 5,000,000 people will settle down in north Manchuria, and if some ingenious means is employed it is not at all unreasonable to expect to emigrate double as many people within the same period and at the same financial sacrifice. The expense can be met by public loans; the Government has only to find out means to pay the interest amounting yearly to Yen 40,000,000. It is almost nonsensical to attempt at the rehabilitation of the farming district throughout Japan with 2 or 30,000,000 yen of state defray. The same can be said of the design to get the prices of farm products raised, because by so doing the Government will reduce the purchasing power of the hard-pressed peasants of the country—where small scale farming system predominates—a large-scale emigration to Manchuria is strongly advised.

Semi-Military Measures Recommended

Seiichi Kojima (小島精一), *Chuo Koron, November:* Judged from all angles it is evident that the successful termination of the N. M. R. negotiation will give favorable influence upon the future development of north Manchuria.—However, the transfer of the railway will not prevent our making elaborate military preparation in north Manchuria, because the big-scale frontier defensive work of the Soviets is making a steady progress. For the economic exploitation of northern Manchuria military strategy must be employed just as hitherto . . . . Besides, as it is to be expected that the Soviet's industrial activities in the Far East will in two or three years prove a great menace to north Manchuria. To provide against this possible pressure from Soviet Russia the Manchukuo's side should practise semi-military measures in the exploitation . . . . It is true the economic conditions in north Manchuria have been quite miserable due principally to acute depression of farming industry while other industrial enterprises are in infant stage, but it must not be left in such a forlorn state. The Government should stand up to take the lead in order thus to solve the important question of emigration of agrarians.

The object of the development of Manchuria should not be limited to the advance of capital, for a large scale emigration is equally important. The execution of this state policy of emigration should be undertaken by the Government, for the capitalists will hesitate to invest in such an unprofitable enterprise. Needless to mention, the vast plain of north Manchuria is where these emigrants settle down for cultivation . . . . For agriculture and stock-breeding the north Manchurian plain is recognized by experts as quite proper. It is mainly because of lack of Government assistance and political and social unfarety in the district that the exploitation has made but slow progress . . . . It is fortunate that at a recent meeting of the Cabinet members it was decided upon that our administration organ in Manchuria will follow positivism under military management. We feel we can look forward with interest to the work of the military administration when compared with the capitalistic control or bureaucratic management. I hope that the military will advance to north Manchuria with the spirit and policy—positive exploitation —with which it acted in Manchuria following the Manchurian incident.

China's Opium Laws Praised---League Congratulates Victor Hoo

The delegates of several Powers congratulated Victor Hoo, the Chinese delegate, at a meeting of the Opium Committee of the League of Nations at Geneva, Nov. 24 upon the new rigorous measure which the Chinese Government has promulgated, and expressed the hope that these would be strictly applied. The Japanese delegate, among others, spoke in appreciative terms of China's bold step, and said that the application of the measures in such a vast country would necessitate the utmost energy and patience. The Siamese delegate declared that China's action would have an immediate repercussion in Siam if she succeeded in abolishing opium culture and smoking in six years. It would be of great interest to Siam, where most of the traffic was of Chinese origin.

Mr. Hoo, replying to points raised by various delegates, described the manner in which statistical and other information regarding the operation of the plan would be brought before the committee. The Chinese system, he declared, was *sui generis* and adapted to the special conditions in China. It could not be compared with a monopoly or other plans elsewhere. He did not think that a monopoly as a form of control would yield very happy results. Progressive abolition could be pursued with all energy, but the Chinese Government was determined "not to let the wolf of monopoly enter the back door while driving the tiger of the traffic evil from the front."

Dwelling on the remarks made by the Siamese delegate, Mr. Hoo said that even if not a single grain of smuggled goods came to Siam from China a Siamese monopoly would still exist—a condition for which China was not responsible.

NAVY OFFICER EXECUTED IN SOUTH CHINA FOR ENGAGING IN OPIUM TRAFFIC

The Canton naval headquarters issued a proclamation at Canton Nov. 23 announcing the execution of Li Tang, an officer attached to the gunboat *Hai Sui*, who had been found guilty of engaging in opium traffic. The execution of the naval officer was ordered in accordance with the anti-opium regulations recently adopted by the South-West Political Council, which provide the death penalty on government employees engaging in opium traffic.

Kiang Hsiao-kang, who was found guilty of dealing in narcotics, was shot at Wusih Nov. 23 by order of the District Government. A woman accomplice was sentenced to six years' imprisonment. The accused was tried by court martial at the Garrison Headquarters, and the sentence was finally approved by the Nanchang Headquarters of the President of the Military Affairs Commission.

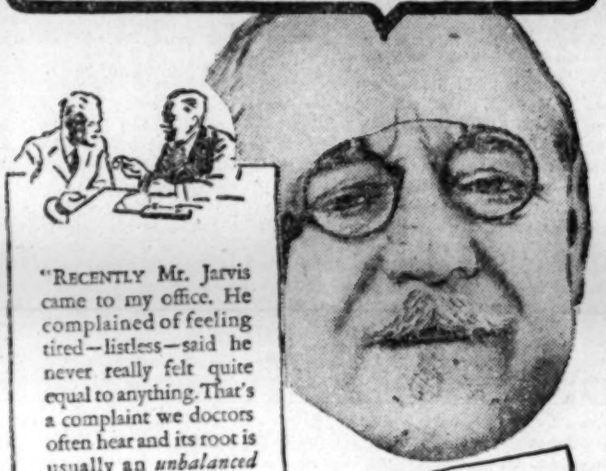
WHOLESALE ARRESTS OF NARCOTIC DEALERS IN KAIFENG

Wholesale arrest of notorious dealers in narcotics has been ordered by the Kaifeng Pacification Headquarters. The order to the Bureau of Public Safety states that those officials who conscientiously carry out their duties will be rewarded. Those who accept bribes, however, will be severely punished.

Two Generals Executed at Peiping

Generals Chi Hung-chang and Jen Ying-chi, after being taken to Peiping from Tientsin under heavy escort, were executed in the former capital Nov. 24. The two generals were involved in a shooting affray in a Chinese hotel in the French Concession at Tientsin early last month. General Chi and his fellow prisoner were charged with having been connected with Communist activities. General Chi was associated with General Chen-wu in the Chahar rebellion about a year ago and was proscribed by the Government after the collapse of that uprising. General Jen was at one time a divisional commander.

"I am Always Glad to Give *this* Advice"



"RECENTLY Mr. Jarvis came to my office. He complained of feeling tired—listless—said he never really felt quite equal to anything. That's a complaint we doctors often hear and its root is usually an *unbalanced* diet.

"I ALWAYS recommend Quaker Oats in such cases—*for this reason.* Quaker Oats has a well balanced portion of every element the body needs. Carbohydrates—supply energy; protein—builds tissue; minerals—feed the blood and nerves. It has just enough roughage to help digestive organs rid the system of poisons. Jarvis couldn't believe it would be so simple but followed my recommendation.

"I SAW him at the club yesterday, playing tennis. He came over and thanked me again for my advice. I've been thanked more for advising Quaker Oats than for anything else I prescribe. Folks appreciate eating a delicious food rather than taking medicine. That's why I've been advising it for the past 20 years."

Growing children need Quaker Oats because it builds bone and muscle, helps them develop into sturdy, robust men and women. Adults need it to maintain health ...ward off illness...provide energy. Quaker Oats is delicious, too. Serve it every day—cooks in 2½ minutes.

LOOK FOR THE QUAKER FIGURE FOR GENUINE

Quaker Oats

P-12

Economic Imperialism

(From the New Statesman and Nation, London, October 27)

I can say that practically every thinking Briton is in favor of a revival of the Anglo-Japanese alliance. Not with a secret agreement to attack any third party, but for open and friendly mutual assistance. . . .Of course, the only difficulty lying in the way is trade competition. In this respect I wish to meet leading industrialists of Osaka and frankly exchange views with them. If further favour is shown by the Japanese towards British co-operation in Manchukuo, the British might reciprocate by showing favour in Empire trade. Business is based on the principle of give and take, you know.—*Sir Charles Seligmann, member of the F.B.I. Mission, in an interview with the "Osaka Mainichi."*

Whether the exuberant welcome given to the F. B. I. mission on its arrival in Japan is responsible for Sir Charles Seligmann's remarkably frank statement, we do not know. In any case we are grateful for a clear statement of the ideas that lie behind this mission. The British public is told from the start that the mission is not, as it has been presented, a mere commercial affair, but a political movement of the first importance—a movement which, when understood in the background of Japan's recent adventures in Manchuria, the Naval Conference and the still imminent danger of a Japanese attack on the U.S.S.R., may mean nothing more nor less than that Great Britain is repudiating the League of Nations and directly encouraging the Japanese to make war in the Far East.

Japan still stands arraigned by the Governments of all the nations at Geneva as an aggressor and a treaty-breaker. The only intelligible excuse ever put forward for not applying the sanctions of the Covenant against her were that the League Powers were too weak to apply them. Actually, it was clear that the reason was quite a different one. Sir John Simon and his friends did not want to stop Japan. The Lytton report demonstrated that the driving force behind Japan's aggression was an unholy alliance between the army and big business, and that her immediate objects were, first, to make Manchuria a strategic wedge dividing the U.S.S.R. from China; secondly, to use Manchuria as a source of war materials; and thirdly, to create a closed market for Japanese goods. Japan's feverish building of strategic roads, railways and aerodromes in Manchuria, her developing aggressiveness in Inner Mongolia and Northern China south of the Great Wall, as well as on the Chinese Eastern Railway, her vast war preparations and war propaganda, all make it clear that Manchuria is regarded merely as Japan's base for vaster aggressions, and that any help in "developing" Manchuria under Japanese occupation means helping Japan to get ready for a great war. Japanese capitalism is rushing toward war as the only way to survive. As Baron Seinosuke Go, president of the Japanese Economic League, puts it in a recent article:

There are two ways of getting the better of over-production in Japan. One is to conquer foreign markets. The other is to turn producers into consumers. But the second way is impracticable. The only remaining way, therefore, is territorial expansion. The Manchurian question is important is this connection. The best way of defeating increasingly acute competition is to make oneself safe by acquiring markets and territory of one's own. It is in this that the danger of war lies.

Western capitalism form the outset refused to strive officiously to keep peace alive. It was the pressure of the banks, the City and the F.B.I. that kept the National Government from attempting or even contemplating sanctions against Japan. These vested interests cared only for their investments in and trade with Japan and for the losses that might ensue from the collapse of the yen (which could easily have been brought about and would have stopped Japan's adventure). They were cynically indifferent to the tearing up of the Covenant, the collapse of disarmament, the shattering of the League and the evil of war itself in Manchuria. They seemed not to mind that the foundations of a great war were being laid in the Far East. They actually declared that Japan stood for "law and order" in the Far East, by which they meant that Japan would make Manchuria, and eventually the rest of China, safe for foreign profits, and would then proceed to give them a share of the swag. The touching faith of the City in foreign aggression and violence as a means of ensuring order has survived the discovery by Eastern nations of nationalism, Communism and boycotts.

These financial and business interests are surprisingly simple-minded if they think that this country's trade will benefit by a Japanese alliance. Japan's motive in seeking a renewal of alliance is not to benefit the trade of other people. They want their hands free for war against the U.S.S.R. and eventually the U.S.A. Their intentions were expressed with delightful clarity in an article by Mr. Hirata Shinsaku, a well-known military writer, quoted in the *Japan Chronicle* of February 4th, 1933. After commenting upon Great Britain's unpopularity in Japan, Mr. Shinsaku writes:

I agree . . that Britain has been the greatest aggressor of any in history. I am against her tyranny in India . . . But as an alliance with Britain was absolutely essential for Japan's tactical purposes against Russia about 1900, so the situation in the Far East now, in 1933, demands the formation of a new military alliance between Japan and Britain. Japan has now four hypothetical enemies—the Soviet Red Army and the Chinese force for the army, and the American and British fleets for the navy. Some extremists here are of the opinion that Japan is fated to fight the Soviet and Chinese forces on the north-western front, and the combined American and British fleets in south-eastern waters. But this is a dangerous idea. . . .It is not merely the Soviet army that is undervalued by some Japanese extremists. The same is done with the American navy. What if these two great enemies should take action against Japan simultaneously? War is a serious matter. When Japan is face to face with Soviet army or the navy of the United States she will really know that it will mean a very hard fight . . . The fight will be all the harder should Britain join the war against Japan. Have we sufficient force, supplies, and so on, to face the three great enemies simultaneously? No doubt some valiant young officers will say yes. But I doubt whether there will be any staff officer who will not turn deadly pale at the idea. In this light the technical prestige of Britain in the Far East has enhanced compared with the days of the Russo-Japanese war. It is said that Britain has grown weaker. Certainly her naval power has grown weaker. But the fact remains that the casting vote in Far Eastern warfare is still in her hands . . .

When one reflects on the difficulties attendant on the possible campaign the Red and the American force, one cannot help yearning from the botton if one's heart for a military alliance with Britain. Perhaps Britain may be the ultimate enemy of us Orientals, as some of my friends think, but Japan is fated to have Britain for a comrade in arms if she is to push on her work of building up a continental State.

These quotations, which are typical of Japanese military thought—that is, of the thought of the present masters of Japan—show that the Japanese occupation of Manchuria was from the first regarded as merely the first step toward a big war for "the lordship of the East" by subjugating China and fighting Russia and, if necessary, the U.S.A. It also shows that this war could be nipped in the bud even now if Japan knew that any fresh aggression against China or the U.S.S.R. would mean joint action by all the Great Powers. And the casting vote for peace or war remains, as Mr. Shinsaku says, in the hands of Great Britain.

It is against this background that the despatch of the F.B.I Mission and the accompanying ballyhoo in the Government press must be seen. The *Times* published a series of articles on Manchukuo which were straight Japanese progaganda. The *Daily Telegraph* published a special supplement on "Japan and Manchukuo" full of the usual apologia for Covenant-breaking, and talk of friendship and co-operation between Great Britain, who is supposed to be a loyal member of the League, and Japan, whom she has joined with the rest of the League to condemn as an aggressor and war-maker. All the Government papers published editorials in similar vein. The matter was made plain in a remarkable leader in the *Financial News* of August 29th, entitled "Britain Discovers Manchukuo," which said that, while officially the F.B.I. Mission was sent to pay a courtesy visit and to study trade conditions in Manchukuo,

not wholly irresponsible opinion suggests that the Mission is blessed by the Government, that it is the Government's typically British first step downwards to reality where formal recognition of Manchukuo lies, and that such recognition may epentually head to a resumption of something approaching the close relations which existed between Japan and Great Britain before 1921.

What is the inference from all this? Has the Government made up its several minds to renew the old alliance with Japan? Can it have done so just at the moment when the U.S.S.R. has been welcomed into the League and a new opportunity been created for making the League a reality and for forestalling the danger of war in the Far East? It is at least difficult to doubt that the Government is acting as the servant of the F.B.I., difficult to believe that Sir Charles Seligmann spoke without some assurance of support in the Cabinet. The Foreign Office has explained to the press that the F.B.I. mission, although quite unofficial, was not disapproved of by the Government, and not considered incompatible with our League obligation not to recognise Manchukuo. A broad hint was even dropped that one result of the mission might be the floating of loans in London for "developments" in Manchukuo. We are at least entitled to a Government statement of its Far Eastern and League policy. We are, as things stand, driven to the conclusion that the British Government, while not daring frankly to follow Japan and Germany in leaving the League, is privately arranging to co-operate with these States in sabotaging it and to abet Japan in her aggression. The British Government has the choice of peace or war. Japan, as we have seen, is unlikely to run the risk of war without the assurance of a friendly Great Britain. If Great Britain repudiates the League and supports Japan, war is probable and the National Government will bear a large measure of responsibility for it.

Jack Young Delivers Lecture on Recent Exploration Trip

Jack Young, Hawaiian-born Chinese explorer, delivered a lecture before the Royal Asiatic Society in Shanghai Nov. 22, on his recent explorations in western Szechuen and Tibet. Mr. Young explained that the main object of his expedition was social and botanical research. Mr. Young, referring to the popular assumption that there is vast store of gold in Western China, said there was no question of there being gold, but not in the vast quantities people might be led to believe. Thousands of natives in Yunnan and Sikang were occupied in panning gold and they were only making a bare living. He also spoke on the claim made by some that Tibet is a vast oilfield, of which the oilfields of Persia are a small outlet. Whether there was any truth in the statement he could not say, but he considered the matter of sufficient importance to warrant skilled men making a thorough investigation.

Japanese Will Change Gauge of Chinese Eastern Railway

WHEN Manchukuo takes over the Chinese Eastern Railway, it plans to incorporate it in the system of Manchurian State Railways now operated by the South Manchurian Railway Company. It is proposed virtually to rebuild the Chinese Eastern Railway to accord with the specifications of the other railway lines in Manchukuo, which means changing the gauge and a large part of the rolling stock.

The present gauge of the Chinese Eastern Railway is 5 feet and the rails are of 64-lbs. which will be narrowed to 4 feet 8 and-a-half inches to fit the dimensions of the other Manchurian railways whereas the 64-lb. rails will be replaced by 80-lb. rails in use on the other Manchukuo lines. As a first step, Manchukuo authorities are understood to be planning to lay a third track on the Southern section of the Chinese Eastern Railway between Harbin and Changchun so that, for the time being, both Manchurian and Russian rolling stock can be used at will.

It is possible to widen the gauge of cars but not (as the *Japan Advertiser* points out) to narrow it, so that most of the cars in present operation on the Chinese Eastern Railway would have to be entirely rebuilt to fit the new track width and as the rolling stock is generally in poor condition, it is planned to replace most of it. It will probably be possible to continue using some of the American locomotives left over from the days of inter-Allied intervention in Siberia, when the Trans-Siberian railway and the Chinese Eastern railway were placed under the management of a commission headed by John F. Stevens, an American railway enginer. These locomotives have been the subject of much discussion because they were never paid for by the Russians and there has existed doubt as to the actual ownership of them. There are altogether 53 Decapods made by the American Locomotive Company and 71 from the Baldwin Locomotive Works, a total of 124 engines, which were ordered by the Kerensky Government and were shipped to Vladivostok and erected there or at Harbin at about the time the Allies were preparing to withdraw. Although built in America, they were paid for by the British Government and now figure in the list of British claims against Russia. The Soviet contention has been that all the railway property was nationalized by the Soviets and the engines were taken over as part of the national property and are therefore Soviet property.

It is estimated that rebuilding the Chinese Eastern Railway will cost Manchukuo about Yen 100,000,000 and it will be done as quickly as possible. This means that Manchukuo will need the material within a short space of time and as it would be placing a considerable strain upon Japanese industry to fill this big order in short time, it is understood that the Manchukuo authorities are prepared to give a substantial part of the order to British industry. It is felt also that it would be unwise for Japansee industry to undertake the whole business with an over-expansion of plants as business of this kind will not be forthcoming regularly from Manchukuo in the future. It is believed that the British share of the business may amount to about 40 percent.

Repeated Violation of C.E.R. Rights Charged to Japanese Army

The assistant vice-chairman of the Board of the Chinese Eastern railway, Mr. Bandura, Nov. 27 handed to the chairman of the Board, Li Shao-keng, two letters. In his first letter Mr. Bandura pointed out that in the course of recent months a number of cases have taken place, when Japanese military officers and responsible officials acted in an arbitrary manner and interfered with the duties of agents of the railway, thus violating rights and interests of the C.E.R. and disorganizing the railway's work. The letter describes at length those cases, which include dispatching a Japanese armored train along an occupied track at station Beishahe, without the permission of station authorities, which was effected by a Japanese military engineer who removed the engineer of the C.E.R. from his post; Japanese military officers dispatching trains from the station Imienpo without the permission of station authorities, whom they threatened with arms; Japanese officer hitting in the face the officer-in-charge of the station, Scorin, etc., etc.

In his second letter, Mr. Bandura cites a number of cases of violation of rignts and interests of CER and traffic regulations by officers of the railway guards and police.

American Flyer Killed When Plane Crashes Near Shanghai

Lieutenant Edward R. Dorsey, twenty-three year old American, whose home is in Phoenix, Arizona, was killed at the Hungjao Airdrome near Shanghai on the afternoon of November 28 while doing stunts in an American plane. His plane crashed within a short distance of the spot where Carl Nahmmacher, American plane representative, was killed last July.

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French and British Firms to Invest in Manchuria

Negotiations of British, French and other foreign capitalists and industrialists for investment in Manchukuo are stated to be progressing steadily. The South Manchuria Railway Company, for instance, recently concluded two agreements, one with French and the other with British firms. The French firm is an influential engineering and contracting concern, closely affiliated with the Netherlands Bank in Paris, the Bank of Indo-Chine and the French Dredging Company. In co-operation with the Toa Civil Engineering Company, a subsidiary of the S.M.R., this concern is to undertake work in Manchuria. The first contract it has secured is the construction of the new Foreign Office building. The British firm in question is the Selection Trust Company, which controls gold mines in South Africa and elsewhere. This company is to co-operate with the Manchuria Gold Mining Company, another S.M.R. subsidiary concern, in gold mining.

Chinese Firms Abandon Mukden

A total of 363 new 'Manchurian' business establishments were opened in Mukden, last month, representing an increase of 18 in comparison with the previous month according to investigations by the commercial affairs section of the Mukden Municipal Office. On the other hand, 34 firms closed their business last month as against 47 in the previous month. Reports received from Harbin indicate that 1,000 "Manchurian" (Chinese) firms in that city have closed their business since the outbreak of the Mukden Incident in 1931.

"A Spectacular Traffic Commotion"

A hectic rush to ship goods into Manchuria from the Kwantung Leased Territory was witnessed before the revised Customs tariff proclaimed by the new State went into effect last week. Altogether 3,500 car-loads of freight were shipped from Dairen in the ten days preceding the inauguration of the new tariff. The increase of shipments in the last week of the old tariff was 98 per cent above the figure for the corresponding period last year and, in the words of the *M. D. News*, "the traffic commotion was spectacular."

New Provincial Arrangement in Manchuria

Preparations for the establishment on December 1 of Manchukuo's ten new provinces are now completed. Under the new arrangement the province of Pinchiang will be the largest, with 143,425 square kilometres. The provincial capital will be Harbin. Second largest will be Heilungkiang with 125,537 kilometres, and third in size will be Heiho, with 109,813 square kilometres. The smallest will be Chientao with 29,395 square kilometres.

Japan and Manchukuo to Sign New Postal Treaty

A new Japanese-Manchukuo postal treaty to replace the existing treaty, which was concluded between Japan and China, will be signed by both Governments next February, or at the latest by March, Japanese reports state.

Land Lease Controversy in North-eastern Korea Reported Settled

A settlement of the land lease question in northeastern Kirin province, which had aroused the local farmers, has been reached, it was announced in Changchun, Nov. 24. The controversy arose over the attempts of the government to direct large groups of Japanese and native settlers into the sparsely inhabited region to aid in its agricultural and economic development. Farmers already residing there opposed this influx with force, leading to several armed clashes. The worst encounter took place on March 10 when Major-General Asakichi Iizuka and several officers and men under his command were shot in ambush. The authorities have charged that the revolting farmers were being led by Hsieh Wen-tung, bandit leader, on that occasion.

Emperor Kangte Gets a Sample of Salvadorean Coffee

Emperor (Pu Yi) Kangte received 30 pounds of Salvadorean coffee at Changchun Nov. 25 presented to him by the Japan-Manchukuo Society of Harbin. The Society a few weeks ago received a 1,600-pound shipment of coffee from El Salvador, which had been ordered by the Society in May, following the official recognition of Manchukuo by the Central American republic.

Japanese Unearth Arms Smuggling at Mukden

As a result of comprehensive searches conducted by the Japanese gendarmerie at Mukden, a plot for smuggling arms by a group of international smugglers, comprised of Russians, Greeks and Jews, was disclosed at Mukden, Nov. 21. Four members of the group were placed under arrest.

It is alleged that they have been smuggling arms with a view to supplying certain international terrorist agents, who, it is believed, have their headquarters in Harbin.

The smugglers are reported to have succeeded in smuggling ten revolvers at their first attempt. *Rengo* says the Communists in North Manchukuo, who have their base of operation at Harbin, conceived a plot to assassinate Japanese and Manchukuo leaders and to wreck trains with the object of disturbing the peace of the country. In order to lessen the risks of the discovery of their plot, they bribed White Russians, through whose instrumentality they got into touch with Cherekov, the ringleader of a gang of smugglers at Tientsin.

Why Britain Cannot Recognize "Manchukuo"

Why, in his opinion, Great Britain cannot recognize "Manchukuo" is explained by C. C. Wong, chairman of the London Chinese Association, in a letter to the *London Times* Nov. 27. "The provisions of the League Covenant," writes the head of the Chinese community, "are clear and explicit. There exists no other treaty more solemn than when she pledged herself to the non-recognition doctrine which was unanimously adopted after a thorough investigation and careful consideration by all the nations as a minimum that should be done in discharge of their contractual obligations as members of the League. "It is generally recognized," Mr. Wong, continued, "that the League's failure to rise to the occasion and face the Manchurian crisis as required by the League Covenant has shaken the confidence of all the nations in the value of treaties, and it is the principal cause of the present world's chaotic and nervous condition."

French Hold Maneuvers at Shanhaikwan as Usual---Japanese Allege Shooting

Although Sir John Simon announced in the British House of Commons that the British forces in North China had decided to bend to Japanese wishes and would discontinue further maneuvers north of the Great Wall, no announcement has so far come as to the French attitude. On the contrary, a Japanese dispatch from Shanhaikwan Nov. 15 stated that French troops stationed there had fired four pistol shots at the commander of the Japanese guard force and three of his men, who were watching the maneuvers of the French soldiers in "Manchukuo" territory. Though no Japanese were wounded, the Japanese army drafted a strong protest to the French authorities, regarding it as a serious case.

The affair (described as "unfortunate" in the Japanese dispatch) occurred at 2.30 p.m. near Tsingshihku, Suichunghsien, Manchukuo. There were 42 French soldiers in the party. It occurred while the French troops were taking a short rest from the maneuvers—which it is stressed were in "Manchukuo" territory. The four Japanese guards were keeping vigilance about 100 meters from the place where the French troops rested.

Before the opening of the maneuvers, on November 11, the French garrison reported to Colonel Giga, commander of the Japanese special service corps, that the maneuvers would extend to within the territory of "Manchukuo." On November 13, at noon a French detachment of 42 soldiers, led by a lieutenant, started action north of the Wall. Chief Guard Tomita and three other members of the Japanese garrison, who were patrolling along the border between "Manchukuo" and China, followed the French troops, as they marched into the territory of "Manchukuo." The guards kept at a distance of 50 meters, About 2.30 p.m. the French troops stopped for a rest at Tsingshihku, and the Japanese guards stationed themselves about 100 meters behind. Suddenly four pistol shots came from the direction of the French troops and narrowly missed the heads of the Japanese. After the French force left, the guards collected empty cartridges left behind as proof, and brought them back to the headquarters of the garrison to report.

Nations Reaffirm Determination Not to Recognize "Manchukuo"

A *Reuter* message from Geneva Nov. 27 stated that the firm stand taken by members of the League of Nations and the United States against recognition of the new regime in Manchuria shows no sign of relaxation.

This was evidenced with the publication by the secretariat of the League of Nations, of a summary of the replies given by members and the United States in regard to the transmission of mails through Manchuria.

The summary shows that all States belonging to the League agree on continuation of such transmission, but emphasize that it does not involve recognition of "Manchukuo," The reply of the United States is on similar lines.

In taking this view, the countries concerned have accepted the recommendations made last May by the advisory committee appointed by the League to study the question.

The committee, after making it clear that negotiations for postal relations, were not to be construed as any measure of recognition of the new State, decided :

1. The "Manchukuo" department of communications cannot appeal against the provisions of the Universal Postal convention.
2. The postal administrations of countries who are members of the League of Nations are not precluded from temporary measures for postal correspondence involving transit through Manchuria.
3. Such measures shall be purely administrative and technical, not as between States or governments.

The committee added a recommendation that an explicit statement confirming the third point should be made by postal administrations taking measures for the transit of correspondence through Manchuria.

Who's Who in China

項仲雍
Jean Y. Z. Horn (Hsiang Chung-yung)

Jean Y. Z. Horn, banker; born at Hangchow, Chekiang, 1901; was graduated from the Tsing Hua University, Peiping; 1923; manager of the Hongkew and Western sub-Branches of the Joint Savings Society, Shanghai; sub-manager of the Hankow Branch of the same Society; now sub-manager of the Realty Department of the same Society and managing - director of the International Hotel Co., Ltd.; address: Realty Department, Joint Savings Society, Park Hotel Building, Bubbling Well and Park Roads, Shanghai.

項仲雍，浙江杭州人，生于一九〇一年，一九二三年畢業于北平國立清華大學，歷任上海四行儲蓄會虹口及西區分行行長，並該會濮口分行副行長，現任該行地產部副經理及國際大飯店有限公司總經理等職，通訊處：靜安寺路派克路四行儲蓄會地產部。

Nanking University to Erect Building to House Dr. Ferguson's Gifts

The Board of Directors of the University of Nanking held its semi-annual meeting Nov. 23. Among those present were. Dr. C. T. Wang, Han Li-wu, R. Y. Lo, C. S. Chen, Dr. J. C. Ferguson, and T. C. Woo. Announcement was made concerning several important gifts to the University and in regard to the erection of new buildings.

Approval was given of the erection of a building which will house the private collection of bronzes, porcelains, paintings, jades and other cultural objects which Dr. Ferguson has donated to the University. Funds will be given by the alumni of the University for the building to house the collection. Pending the erection of this building, by special arrangement with the Ministry of the Interior of the National Government, the collection will be exhibited in the Wen Hwa Palace in Peiping.

Announcement was made of the action for the National Government in donating to the University $100,000 in government bonds, this being the second payment on the promise of the Government of $300,000 for the erection and maintenance of a library at the University.

Approval was given for the construction of a new dormitory for students and of the erection of a four-unit faculty residence. Approval was also given for the erection of a gymnasium for the Middle School from funds contributed by the alumni and friends of the school. The enrollment at the University is the largest in its history.

Thanksgiving Day Celebrated by Americans in Shanghai

Americans in China, and particularly in Shanghai, celebrated Thanksgiving Day (always held on the last Thursday in November) this year, as they have for many years, in the same way as people do in the United States. Turkey was on every American table and served by every American social organization. The usual service was held at Holy Trinity Cathedral, at which Consul General Cunningham presided. Bishop J. W. Nichols preached the sermon and Judge Helmick read the President's proclamation. The American School took a holiday from November 21 to Dec. 3.

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Men and Events

A. Jovishoff has joined the law office of I. H. Rabinnowitz at 73 Nanking road, Shanghai.

Miss Anna May Wong, the Chinese film star, is at present appearing in a series of variety shows in various Italian cities.

C. V. Starr, president of the American Asiatic Underwriters, returned to Shanghai *via* Siberia Nov. 28 after several months absence abroad.

Colonel Feng Shing-yun, military attache to the Chinese Embassy at Moscow, departed from Moscow Nov. 25 for China by way of Vladivostok.

Aw Boon-how, Singapore Chinese merchant and philanthropist, has sent a check for $5,000 to the City Government of Greater Shanghai for drought relief.

Shu Chu-shih, representative of the Executive Yuan, returned to Shanghai during the week-end following a brief visit to Nanking to continue the inspection of the Peiping Palace Museum treasures.

Dr. Sherwood Eddy returned to Shanghai last week after a tour of China. During this week he delivered lectures before the American University Club, the Y.M.C.A. and other organizations. He will spend next week at Hangchow.

Colonel Hsu Yen, head of the Bureau of Public Safety of Haining Hsien Government, arrived in Shanghai end of last week to make investigation in connection with the murder of Sze Liang-tsai, late publisher of the *Sin Wan Pao*.

Prince Pu Tung, a cousin of Henry Pu Yi an amateur actor of high standing, appeared on the stage at the Lyceum Theater in Shanghai November 26 and 27 at the request of the Women's Committee for the Winter Relief of the Drought Sufferers.

Two trees grown from Mount Vernon seeds were planted by Consul General Cunningham and Judge Purdy at the Shanghai American School grounds on Avenue Petain Nov. 27 as a permanent memorial to the late Mrs. Cunningham and the late Mrs. Purdy.

Li Ching-tsung, managing-director of the Eurasia Aviation Corporation, proceeded to Nanking this week to confer with General Chiang Kai-shek, with regard to problem of resumption of the airmail between Shanghai and Tacheng on the Sinkiang-Soviet border.

A suit for the recovery of $400,000 alleged wrongfully made as profit on a real estate deal in 1931, has been filed in the United States Court for China by the China Finance Corporation, Fed., Inc., U. S. A., against the China Realty Company, Fed., Inc., U. S. A.

Sir Miles Lampson, former British minister to China, was married to a daughter of Dr. Aldo Castellani, an authority on tropical medicine and director-in-chief of the Ross Institute and Hospital, in London Nov. 22. Sir Miles, who is 54 years old, lost his first wife in 1930.

The Chinese National Tariff Commission has just issued figures showing that the working classes are enjoying cheaper clothing food and fuel prices. The general index stands at 102.65 for October, against 106.57 for September, the highest recorded for the year, which began with January at 92.82.

Dr. Chiang Mon-ling, president of Peiping Government University, has been instructed to go to the Philippines to participate in the Far-Eastern Education Conference to be held there on December 16. Dr. Chiang is proceeding to the Philippines on the s.s. *President Grant* in company with Dr. Herman C. E. Liu, president of the University of Shanghai.

T. H. P. Sailer, who has been in China and other parts of the Far East for the past six months, will sail for Japan next week on his way back to the United States. Mr. Sailer is connected with the Missionary Education Movement, which publishes books on missionary enterprises to be studied by different denominations. His address in New York will be 150 Fifth Avenue.

Inter-Provincial Famine Relief Campaign to Be Launched

An inter-provincial famine relief campaign will be inaugurated at the Frenchtown Chinese Y.M.C.A. Dec. 2 under the joint auspices of different public organizations under the leadership of the Kuomintang and the City government. A city-wide campaign will be conducted, and team work will be divided and undertaken by indivdual subscriptions, house-to-house subscriptions, conducted by students of various universities and schools, boy scouts, and by the Chinese Chamber of Commerce. Mei Lan-fang will stage a two-day performance, the proceeds of which will be handed over to famine relief work. Negotiations have been successfully carried out with the Canidrome dog racing management by Tu Yueh-sen to contribute two days' entire proceeds to the inter-provincial relief funds in the near future.

Second "Boxer" Vessel Arrives for China Merchants S. N. Co.

The steamer *Hai Heng*, second of the passenger vessels built in Britain for the China Merchants Steam Navigation Co. from Boxer Indemnity funds, arrived in Shanghai Nov. 25 from the shipbuilding works on the Clyde in Scotland. The ss. *Hai Heng* is a sister ship of the ss. *Hai Yuan*, which arrived here some weeks ago and was officially handed over to the China Merchants S. N. Co at a ceremony on November 12. The official inspection of the new vessel took place at the Kiangnan immediately upon arrival.

Dr. Li Szu-kwang to Lecture at Oxford University on Geology

Dr. Li Szu-kwang, Professsr of Geology and Dean of the Department of Geology of the National University of Peking, will sail for Europe early this month to deliver a series of lectures on the geology of China at Oxford University. Dr. Li is a returned student from England and is recognized as one of the leading geologists of China. He has been connected with the National University of Peking for many years. During his absence Dr. Y. C. Sun and Shih Ying-chien will be jointly in charge of the administrative affairs of the Department of Geology.

Man Assaulted by American Seaman Dies in Hospital

Jack Pinyan, the American seaman who was to have appeared in the U.S. Court for China Nov. 27 for sentence after pleading guilty the day before to a charge of committing an assault with a deadly weapon, was not brought up owing to possible developments in the case for the prosecution following the death of Segt. C. J. Stritzel. Segt. Stritzel was wounded in a brawl with the accused in Broadway and subsequently left hospital without his doctor's permission, contracting pneumonia.

Americans and British Both Celebrate Nov. 29

It so happened that the Royal wedding (Duke of Kent to Princess Marina), in London fell on the same day as the American Thanksgiving Day (Nov. 29), so that both the American and British communities in Shanghai, and probably in other places in China, had occasion to observe the day with special dinners. Hotels and other places of entertainment in Shanghai were, as a result, well patronized both by American and British guests.

Park Hotel—J.S.S. Building to Be Officially Opened Dec. 1

The official opening of the newly-completed sky-scraper at the corner of Bubbling Well and Park Roads in Shanghai will take place Saturday, December 1. The ground floor of the building is wholly occupied by the J.S.S. Bank. The building up to the fourteenth floor is occupied by the Park Hotel. Above the fourteenth floor are several floors of a partments. A Fire Brigade station of the S.M.C. is located on the top floor.

Japanese Maneuvers in North China

(*From the "Peiping Chronicle" Nov. 15.*)

Tientsin messages report that the Japanese garrison in North China is about to carry out maneuvrers along a section of the Peiping-Liaoning Railway, and that the Japanese authorities have issued orders that all trains passing through the area of maneuver are to whistle loud and long. It is some satisfaction to think that the Japanese authorities have not issued orders for the suspension of traffic whilst these maneuvers are going on. That at least is what we should expect after what was observed out in the Western Hills district a fortnight ago. Just beyond Hwangtsun station on the Mentoukou line, swarms of Japanese soldiery were carrying on maneuvers, rushing across the roads, belly-crawling over the fields, firing blank and alarming the rural population, causing motor-cars, jinrickshas and pedestrians, camels and mules and carts, all using the roads on their lawful occasions, to make way for alarming looking military lorries on which anti-aircraft guns had been mounted. All this without so much as a By-your-leave either to peasant or pedestrian, cyclist or carter, motorist or muleteer; precisely as if a conquered country were being occupied. All that was needed to complete the conquest was a military band playing a certain well known chorus from Handel.

Students at Cheeloo "U." on Strike

Class rooms at Cheeloo University in Tsinan, Shantung, are empty as the result of the entire student body of the College of Arts and Sciences several days ago voluntarily declaring suspension of classes as a protest against the authorities in delaying the appointment of a "responsible president."

Hypocrisy in U.S.A. Regarding China's Silver and Trade

(From "The Nation" N. Y., Oct. 31)

Although China is unlikely to carry out its threat to adopt a gold standard as a defense against the Administration's silver-buying program, its repeated protests to the State Department have at least served to expose the hypocrisy of those who maintained that raising the price of silver would increase the purchasing power of the East. The truth, of course, is directly the opposite. Under normal conditions India and China are among the largest consumers of silver and are consequently interested in obtaining the metal as cheaply as possible. The buying power of a country is not determined by the exchange value of its currency, but by the aggregate worth of the goods and services which it sells abroad. A decline in the exchange value of its currency is a distinct though temporary advantage to exports, because it aids their competitive position. It would be impossible, moreover, for the United States to purchase the billion-odd ounces required by recent silver legislation without a serious drain on China's silver reserves, which would have a deflationary effect on that country's domestic economy similar to that experienced by the Western world during the dizzy ascent of the price of gold. The money doctors who have been advising the Administration have prescribed one medicine for the United States and a directly opposite remedy for China, though both were suffering from the same disease. Against these misguided quacks, China, unfortunately, has no real defense: the export tax recently imposed is unlikely to have more than a temporary effect, while resort to gold is highly impracticable.

Japanese Allege Silver Run on Principal British Bank in Shanghai

Under the heading of "Bank Run in Shanghai Brings Financial Shortage of Silver Reserve—Prompts Declaration of Brief Moratorium," the Osaka Mainichi of Nov. 25 printed the following telegram supplied by the Rengo News Agency from Shanghai Nov. 23. This journal has reason to believe that the message is false; but that such rumors are circulated we believe to be a matter which the public in China should know about.

"A veritable panic was caused today in local financial circles, when a run was made on the Shanghai branch of the Hongkong and Shanghai branch of the Hongkong and Shanghai Banking Corporation, one of the most influential banks here, which represents British official interests in China. The bank, which has been faced with unceasing demands for a large amount of money from Chinese circles for the past few days, finally asked depositors for a moratorium due to shortage of its silver holdings. It is stated that the bank is negotiating with leading local Chinese banks, including the Bank of China and the Bank of Communications, for an emergency loan of $15,000,000 (Chinese), for the purpose of tiding over the present crisis. Well-informed circles point out that the shortage of the bank's silver stocks was caused by the shipment of a considerable amount of silver to its head office in Hongkong and also to London."

Dr. H. H. Kung, Minister of Finance, visited the Shanghai Stock Exchange during the week and assured the brokers that there was no truth in rumors circulated in Shanghai.

Dr. Sze Urges Financial Co-operation in Address in U.S.A.

The world's good will and financial co-operation for the economic modernization of China was solicited at Philadelphia, Pa., Nov. 26 by Dr. Alfred Sze, Chinese Minister to the United States, in a speech at the meeting of the Academy of Political Science. Without referring to the political situation in the Orient, the diplomat said he privately sponsored the China Development Finance Corporation for the purpose of cooperating in organizing to facilitate combined Chinese and foreign investments.

The resistance of the Japanese occupation of Shanghai by Chinese troops in 1932 was cited by Dr. Sze as a demonstration of the effectiveness of organized and equipped Chinese development.

China Currency Reform Must Wait, Says Chen Chin-tao

It is too early to adopt any definite measures for reforms in the currency system in China, declared Chen Chin-tao, chairman of the newly-established Currency Reform Committee of the Ministry of Finance, in a press interview Nov. 27. No fixed currency policy can be adopted, Mr. Chen stated, so long as China has to resort to the imposition of an export tax on silver as a means to stop silver shipments abroad and to stabilize foreign exchanges.

No remedy for this unfavorable foreign trade of China can be considered fundamental, Mr. Chen said, other than a gradual process of promoting the education for production, development of communications and reduction of export taxes on Chinese goods. Unless these are accomplished, Mr. Chen emphasized, China cannot enter upon an era of definite currency reforms.

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New Books of Interest in the Far East

Congressional Debates on U.S. Policy Toward China

American Policy Toward China, as revealed in the Debates of Congress. By Wen Hwan Ma, Professor of Government and International Relations in the University of Nanking. Kelly and Walsh, Ltd., Shanghai. 1934. 293 *pages with index. Blue paper cover. Selling price in China* $6.00. *Postage* 20 *cents, foreign postage* $1.00.

Where should one find an index to American opinion on foreign relations if not on the floors of Congress? There are sectional interests to be sure, and considerations for the next election, which lead to the voicing of ignorance and prejudice as well as knowledge—but all these go to make up policy, especially where interests are touched. Most of us do not have access to the *Congressional Record*, and if we had we should find it dull reading. Mr. Ma's method in the present book is to take, chiefly from the *Congressional Record*, an abundance of excerpts from the speeches in both houses of Congress on the principal matters with which American policy has had to deal. He gives much relevant information as well; for example, the "ayes" and "noes" of votes upon bills and resolutions in their various stages. Rarely does the author express an opinion of his own; he shows an admirable detachment throughout, letting his information speak for itself.

In reading the first chapter, on early relations following the Cushing treaty, one meets with the expansionist ideas of the '50s and '60s, where the goal was to "conquer from England the markets of China." (In the 17th century the English were trying to "beat the Dutch" in this game of commerce.) So came the first mail subsidy given to the Pacific Mail Steamship Company in 1866. "The trade of China has enriched every nation that has enjoyed it, and besides it is capable of infinite expansion." So said the optimistic congressmen then, not quite appreciating the factors that would make this potential market a still uncertain one.

Two of the book's six chapters deal with immigration. The second of these, on the objections to Chinese immigration, is admirably illustrative of the success with which the author presents his material. The reader will probably find more of real substance here on the topic treated than he will find in any other book. There is plenty of material illustrative of racial prejudice and ignorance, but there is sound argument also, and evidence of an effort to be fair to China. The author remains in the position of umpire, taking no side himself.

In a chapter on Friendship between China and America the author takes up a number of episodes, some long past and some more recent. The most unpleasant episode—that of Rock Springs, Wyoming, where twenty eight unoffending Chinese were killed in 1885 by American miners—led to a payment of an indemnity of $147,000 to the Chinese government by a vote of Congress. The chapter on American Trade in China gives the congressional side of the China Trade Act of 1922 and its amendments of 1935. Congress and Far Eastern Politics is the title of a chapter dealing with the Sino-Japanese War, the recognition of the Republic of China, Shantung and the Versailles Treaty, the Washington Conference, and the subject of Revision of Treaties in 1929.

The book is one of permanent value; it is full of information; it invites to a fair consideration of the issues touched upon; and while the author withholds his own opinions he furnishes fruitful material from which sound opinions can be drawn. The proof-reading and printing have been carefully done. D. R.

"Three Years' Wanderings in the Northern Provinces of China"

An announcement of interest to book-lovers and collectors of rare editions comes from The University Press of Shanghai, who in mid-December will offer a limited and numbered de luxe re-print edition of "Three Years' Wanderings in the Northern Provinces of China" by Robert Fortune, distinguished Scotch botanist and author, which, first published in London in 1847, has long been out of print.

In this work Fortune recounts his adventures during his first visit of exploration to China, 1843-46, for the Royal Horticultural Society, London. Subsequent tours were made for the East India Company.

In his "Three Years' Wanderings" Fortune ranged as far North as Shanghai and, to the South, Manila, in the Philippines. He was in Shanghai a few days after Sir George Balfour, the first British Consul, declared the city open to foreign trade on November 17, 1843. His description of the city and its people and customs at that time, more than ninety years ago, is intensely interesting. It was then he made his prediction that Shanghai would become China's greatest city.

Fortune was also in Canton and he extensively explored the coastal provinces. It is not too much to say that he was the first

foreigner after Marco Polo, who preceded him by six hundred years, to gain an intimate knowledge of interior districts of China.

In this work Fortune did not write as a scientist, but rather as an explorer. It has the appealing charm of a romantic adventure, vividly and brilliantly written. Great as were Fortune's achievements as a botanist, and he was one of the greatest of the nineteenth century, equally admirable was his literary work. "Three Years' Wanderings in the Northern Provinces of China" is, it is stated, a colorful, almost photographic presentation of life and manners which obtained in China just less than a century ago.

According to G. F. Nellist, editorial director of The University Press, the original edition of Fortune's book, including many fine old engravings depicting life and scenes in the China of that time, will be faithfully reproduced in its entirety.

Air-Development Race Between Japan and U.S.A.

A Washington message Nov. 26 stated that Congressional appropriations to finance an air-mail service between the United States and China are practically assured. Funds will be granted to conduct the service as soon as the Pan-American Aiaways can demonstrate the feasibillity of an air route from the west coast of the United States to China, by way of Honolulu and Manila.

An air development race is in prospect between Japanese and American interests with the governments of each country playing important roles in the background. It is said Japan plans to spin a web of air lines throughout the Far East, touching all of the important Japanese mandated possessions in the South Pacific.

Canton Imposes Higher Customs Tariff so as to Stop Oil Tax Evasion

A recent Canton message states that importers of fuel oi containing 99 per cent kerosene into Canton are liable to pay the import tariff on the same rate as kerosene oil and not as fuel oil. It has been the practice of importers in Canton to add a little coloring matter in the kerosene oil and then import it as fuel oil in order to defraud the Chinese customs. This camouflage traffic has been going on for some time and the Ministry of Finance has decided to put a stop to this practice.

⁂

Canton to Borrow $10,000,000 From Foreign Oil Companies

A loan of $10,000,000 contracted by the Kwangtung Provincal Government with the representatives of the Standard Oil, the Socony and the Texas Oil Companies in Hongkong for the purpose of meeting the budget deficit and financing reconstruction projects in Kwangtung, will shortly be concluded. Liu Chi-wen, Mayor of Canton, who negotiated the loan, will sign the loan contract on behalf of the Kwangtung Provincial Government. The loan will be paid over in three instalments in four months and is to be secured on the revenue and assets of the Canton Municipal Power Plant.

Standard-Vacuum President to Visit Far East

The Standard-Vacuum Oil Co. has decided to send its president, Mr. Parker and its vice-president Mr. Walden, to the Far East to study the oil situation.

CUSTOMS NOTIFICATION NO. 1402

The public is hereby notified that, in accordance with Government instructions, coastwise shipments of silver dollars in boxes or bags may be made only by banks and must be covered by Ts'ai-chêng Pu Huchao and that shipments not so covered will be confiscated.

This ruling is effective as from the 21st November, 1934.

H. O. Tong,
Superintendent of Customs.

A. C. E. Braud,
Commissioner of Customs.

CUSTOM HOUSE,
Shanghai, 22nd November, 1934.

THE NAUGHTY CHILD

Your naughty child is not always so blame-worthy as he seems. Like us 'grown-ups', he is subject to occasional disorganization of the digestive processes which are trying to the nerves, spirits and temper.

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CUSTOMS NOTIFICATION
No. 1403

The public is hereby notified that in accordance with Government instructions the following Article is to be inserted in the Provisional Regulations for the Control of Customs Brokers:—

"Customs brokers are required to draw the attention of the Customs authorities in writing to any clerical error or miscalculation appearing in a Duty Memo. issued to them. Duty paid in excess will be refunded, and duty short-paid must at once be made good by the broker concerned. If a broker fails to make good such short-paid duty, the Customs may suspend or cancel his Licence, or take legal action for recovery."

H. O. Tong,
Superintendent of Customs.

A. C. E. Braud,
Commissioner of Customs.

CUSTOM HOUSE,
Shanghai, 26th November, 1934.

Does Japan Only Want Illiterate Travelers?

To the Editor, *China Weekly Review* :—

To go through a Japanese passport-control certainly is no laughing matter. When you have passed it you will have remembered many things you already had forgotten long ago. The officer in charge even asked me where and when I took my Law-degree. But all this is still nothing compared with the so-called "book-control." When travelling from Shanghai to Nagasaki, the Custom's control usually is performed on board the steamer. But if unfortunately you are carrying some books, magazines or manuscripts with you, the Custom's control is considered not to be efficient enough and nothing will save you from falling a victim to the activities of a special book-control in Nagasaki. If carrying only one or two books with you, you still might be considered as a loyal citizen, but if the number of your books and magazines exceeds what the Japanese authorities consider "healthy" and becoming for you, certainly you will be looked upon as a Bolshevik. Only one small trunk of mine contained some food for the thoughts of the suspicious-minded book-control, but the examination lasted two hours. The officers in charge looked at every single sheet of each book, magazine or manuscript and were specially active when tracing some pictures I accidentally carried with me. They were so lost to all decency even to read private letters. They were very suspicious about *Discovery*, a London journal of popular science, and deeply shocked by some copies of the *China Weekly Review*. When unearthing the *Zeitschrift fur Sozialforschung*, a German-written Swiss paper on Social Research, the chief officer said: "Socialism good?—socialism no good—prohibited in Japan!" In vain I tried to explain to him that social research and socialism have as much to do with each other as concrete has to do with concave. The officer spoke very little English and very little German, so he was unable to understand any explanations given to him. Finally he confiscated everything he disliked and I was allowed to go, my trunk having been put in such a state that I had to work several hours to get it fixed up again—Some of the papers and pictures having been much damaged.

As I already had missed my train I asked the officers when the next train was scheduled to leave. They sent me to the railway-station, but of course there wasn't any train about that time, the next suitable train leaving in reality about 24 hours later. So I looked for hotel-accomodations in Nagasaki. A few minutes after I had entered, the host already tried to ask me the most insolent questions I ever heard. H wanted to be informed about my political likings and dislikings and was specially interested to learn where I raised the funds to come to Japan and what was my business there.

The next morning I left for Unzen, (not by railway, but by car) and in Unzen I received visits from police-officers nearly every day. He was much better educated than the officers in Nagasaki and he possibly is a likeable man outside of his office. But still he was extremely busy in watching my photographic activities and was very suspicious about the reason why I preferred a Japanese to a foreign-style hotel. After about a month the police-officer realized that I did not intend to overthrow the Government of His Imperial Majesty while residing in a summer-resort consisting of a few hundred Japanese inhabitants and seven European hotels, and eventually the control was slightly relaxed. But still I could not do any walking unwatched.

The book-control's officer had promised to return my magazines within two weeks. In reality, of course, nothing at all happened. I urged several times, and after six weeks I got most of my things back while others still were detained. When back in Shanghai, I asked that these magazines (chiefly copies of the *China Weekly Review*) be returned, but at first I got no answer; after urging I heard that these papers have been treated as "contraband." (Some others sent by mail also were confiscated, but the post-office did not even give notice of it). So the Japanese censor still keeps some magazines which I can lawfully buy in every bookstore in Shanghai. Even here the Nipponese censor takes care that I might not suffer mental damage by reading something he considers unsuitable for me.

While still in Japan, I made a complaint to the "Board of Tourist Industry," which at first promised to look into the matter and later did not give any answer at all.

As I do not intend to give a wrong impression of my experience in Japan as a whole, I add that, for instance the tourist office in Unzen and the authorities in Kumamoto, were extremely kind and undertook everything to make us foreigners comfortable. But still, I think the Japanese should decide once and for all whether they really want respectable foreigners to visit their country or if they only want to enjoy the pleasure of treating some of them like notorious criminals.

Shanghai, Nov. 27, 1934. LEX.

The "Nigori"---And Chinese and Japanese Names

The Editor, *China Weekly Review* :—

I beg leave to correct you on a statement in your editorial note headed "The Nigori" in your issue of November 3, also to correct Shinziro Ito on the main point of his letter to you on the "Nigori" dated November 11 and appearing in your issue of November 17.

Your own misstatement consists of the unqualified declaration that "Chinese names are all of one syllable, as, for example, the ubiquitous Wong." Certainly not "all!" Note such surnames as Ssu-ma, Ssu-tu, O-yang and Tuan-mu,—about as monosyllabic as Johnson.

As for the use of the "nigori," the mark indicating the "thickening" or "voicing" of a sound, as when *k* becomes *g*, *t* becomes *d*, etc., Mr. Ito in his letter makes some rather peculiar statements. He declares that "there are no 'nigori' or sonant sounds" in such pronunciations as "Nippon." This is at best a quibble, as the small circle (°) which distinguishes 本 *po* from 本 *bo* is colloquially referred to among Japanese as "nigori," and by meticulous scholars as "han-nigori" or "han-daku" (half-nigori), representing a sound halfway between *b* and *b*. Mr. Ito is undoubtedly perfectly aware of this. Anyone interested in the point is respectfully referred to "Moji no Shirube," by the late Professor of Japanese in the Tokyo Imperial University, B. H. Chamberlain.

Another peculiar statement made by Mr. Ito is that "we Japanese pronounce these characters 日本 as 'Nihon' or 'Nippon'." This is literally true, but misleading, as it clearly implies that this is a native Japanese pronunciation. In fact, as every educated Japanese knows, "Nippon" is a prouunciation adapted from the Chinese, indicating the Chinese name for Japan,—the pronunciation being similar to that which still survives in some Fukien and Kwangtung dialects, where 日本 is still "Nippon."

When Mr. Ito says that "日 is pronounced by itself 'Nichi,' and that "本 is 'hon'," he should add that this pronunciation is in imitation of the Chinese pronunciation of some fifteen centuries ago, and also add that the real *Japanese* pronunciation of the word 日 is simply *hi*, as in 日の出 *hi-no-de*, (sunrise),—the name, by the way, of a prominent Japanese journal—while the *Japanese* pronunciation of 本 is simply *moto*, as in many Japanese proper names.

Your own editorial article on "The Nigori" makes the same error, which Mr. Ito shows no desire to correct, when you state that "the first character is pronounced by itself in Japanese 'Ni,' the second one 'hon'." It would have been correct to say that these characters are pronounced by themselves, *in Japanese*, as *hi* and *moto* respectively. The character 日 is pronounced *nichi* (shortened to *ni* in some combinations) in the *Go-on* or Wu sound (representing the first attempt by Japanese to imitate Chinese words), and as *jitsu* in the *Kan-on* or Han sound (a Japanese imitation of Chinese sounds of a later period—later Sui or early T'ang). The Chinese word 本 *pon* (in native Japanese *moto*) also has various pronunciations.

Perhaps I should add, for readers unfamiliar with Chinese phonetic development, that the present northern mandarin pronunciation, as exemplified in "erh-pen" for Nippon, is mainly a development of the last thousand years or so, greatly affected by Mongol, Manchu, and other invasions and conquests by non-Chinese-speaking peoples. The English pronunciation "Japan" is evidently taken from the official Chinese spoken under the Mongol Dynasty, in Marco Polo's time.

I should also add, parenthetically, that the Japanese have a quite beautiful native name for their country, "Yamato," but for some reason or other they prefer to cling to the Chinese name, "Nippon," while some perverse Japanese officials, and some of the ignoramuses in the Japanese Diet, actually wish to make this old Chinese name official to the exclusion of any other, thus outlawing the native Japanese name for the homeland. I know of no other case in history of any country insisting that it be called only by a foreign name.

Shanghai, Nov. 25, 1934. HARRY PAXTON HOWARD.

Prominent Japanese Ask Police to Treat Tourists More Liberally in Future

Recommendations for a more liberal handling of foreign tourists and residents by the Japanese police and gendarmerie were submitted to Kazuo Oguri, chief of the Metropolitan Police Board, by the official "Committee for the Study of Means to Receive Foreign Visitors," at Tokyo Nov. 26.

The committee was formed at the suggestion of the Ministry of Foreign Affairs after scores of examples of unnecessary officiousness by police, customs and gendarmerie officers in treating foreign tourists had been brought to its attention.

Included in the commission are: Baron Sanetaka Ichijo, whose wife is English; Dr. Naohiko Masaki, president of the Imperial Academy of Arts; Jukoro Kadono, industrialist; Tsuneji Taniguchi, director of the Customs, and officials from the Ministries of Foreign Affairs, Commerce and Industry, Railways, Interior, the Japan Tourist Bureau, and others.

CUSTOMS NOTIFICATION No. 1404

The public is hereby notified that in accordance with Government instructions the shipment of silver and silver dollars by land and by sea to places in Manchuria, including Jehol, is prohibited except under Ts'ai-chêng Pu Huchao, but that passengers will be allowed to carry not more than fifty silver dollars in their luggage.

Shipments of silver and silver dollars to Dairen will be dealt with in accordance with Customs Notification No. 1389.

H. O. Tong,
Superintndent of Customs.

A. C. E. Braud,
Commissioner of Customs.

CUSTOM HOUSE,
Shanghai, 27th November, 1934.

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The National City Bank of New York, Rates of Exchange

Shanghai, Nov. 28, 1934

Demand selling rate on America:	U.S.$1.00=Sh. $ 2.98
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Demand selling rate on London:	£1.0.0=Sh. $14.88
Demand buying rate on London:	£1.0.0=Sh. $14.60

Latest New York Stock Exchange Quotations

November 28, 1934
Business Done:
Total Volume:- 1,010,000 Shares

1933-34 High	1933-34 Low	Div. $ per sh.	STOCKS	Last Sale Nov. 26	Last Sale Nov. 27
13¾	3	—	Adams Express	7⅝	7½
113	47½	3.00	Air Reduction	113	112
33	11⅛	1.20	Alaska Juneau	17	17⅝
160¾	70⅝	6.00	Allied Chemical	135½	135¼
26⅝	6	—	Allis Chalmers	15⅝	15½
42½	9⅛	0.80	Am. Brake Shoe & Fdry.	26	26
107¾	49½	4.00	American Can	106½	105
89⅞	13	—	Amer. Comml. Alcohol	32⅝	32⅞
22½	3¼	0.25	Amer. Cyanamid "B"	17	16⅞
19⅝	3⅞	—	American & Foreign Power	5⅝	5¼
27⅝	3½	—	American Metal Company	14⅜	14¼
53½	10⅝	—	American Smelting	36⅝	36½
134⅝	86½	9.00	American Tel. & Tel.	109⅝	108½
94⅝	50⅝	5.00	American Tobacco "B"	88½	87
45¼	10⅞	1.00	American Waterworks	15¼	14⅝
22⅞	5	—	Anaconda Copper	11⅛	11¼
18⅝	5⅞	—	Atlas Corporation	9	9
84½	16⅞	—	Auburn	26	25⅝
37⅞	8¼	—	Baltimore & Ohio	15⅛	15⅝
49½	10⅜	—	Bethlehem Steel	31¼	31
10¼	6⅜	—	Boeing Afrplane Co.,	9⅜	9⅝
29⅝	5½	1.00	Borg Warner	28⅞	28⅛
20⅞	7½	—	Canadian Pacific Railway	11⅛	11⅜
103½	30½	—	Case, J. I.	53⅝	52½
40⅝	15⅞	1.40	Chase National Bank	25⅛	25
52½	14⅞	2.50	Chesapeake Corporation	40	39⅞
60⅝	7⅜	1.00	Chrysler	38⅝	38½
28⅛	7½	—	Columbia Gas & Electric	8⅝	8¼
6½	1	—	Commonwealth & Southern (ord.)	1¼	1¼
64½	22	2.00	Consolidated Gas of N. Y.	25¼	23⅝
23¾	4⅞	1.00	Continental Oil	19⅜	19⅜
9⅞	2	—	Coty Inc.	5	5
5¼	1½	—	Curtiss Wright Company (Com.)	2⅞	2⅝
93⅜	35	—	Delaware & Hudson	49½	41¼
28½	10¼	—	Douglas Aircraft	22⅝	22¼
108⅞	32½	2.60	Du Pont de Nemours	100	98½
116¼	46	4.00	Eastman Kodak	116½	115
41⅝	7⅝	—	Electric Bond & Share	9¼	8⅝
15⅝	2⅞	—	Electric Power & Light	3⅝	3½
19	8¼	—	Fox Film "A"	13½	13¼
50⅝	16½	2.00	Freeport Texas	27¾	27⅝
10⅝	2⅞	—	General Aviation	4⅞	4⅝
30¼	10½	0.60	General Electric	20¼	20
39⅞	21	1.80	General Foods	34¾	35
42	10	1.00	General Motors	32⅜	32
40¼	13¼	1.00	General Railway Signal	28⅝	28¾
27⅝	12	1.20	Gold Dust	17⅜	17½
47½	9¼	—	Goodyear Tire & Rubber	25¼	25
81½	15	3.00	Hercules Power Co.	80½	80
57¼	25	3.00	Howe Sound	48⅞	49
40	6½	—	International Cement	27¼	27⅝
46⅞	13½	0.80	International Harvester	38⅞	38½
29¼	6⅝	0.60	International Nickel	23⅝	23⅝
21⅝	8¼	—	International Tel. & Tel.	9⅜	9¼
66⅜	12¼	—	Johns Manville	56⅞	56¼
26	7⅜	0.60	Kennecott	17½	17⅜
78⅜	37½	2.40	Lehman Corporation	70	70
110	49	4.00	Liggett & Myers "B"	110	109¾
36½	8½	1.00	Loew's Inc.	35	34⅞
25¼	10⅜	1.20	Lorillard	19½	19⅝
35⅝	8⅝	—	Montgomery Ward	30½	29½
43	16⅞	1.00	National City Bank	21⅝	21¼
33¼	16½	—	National Distillers	26½	26⅜
68½	14	—	New York Central	22½	22⅝
36½	10¾	1.00	North American	12⅞	12⅞
96⅜	31½	4.00	Owens Illionois Glass	86½	86
31⅞	13¼	1.50	Pacific Gas & Electric	15	15
6⅝	1⅜	—	Packard Motors	4	4
6⅜	1¼	—	Pennroad Corporation	2	2
42½	13⅜	1.00	Pennsylvania Railroad	23½	24
20⅜	4⅜	1.00	Phillips Petroleum	15¼	15⅝
12¼	3	—	Radio Corporation	6	6⅛
54¼	26½	3.00	Reynolds Tobacco "B"	51	51
51⅜	12½	—	Sears Roebuck	42	41½
19⅞	6	0.60	Socony-Vacuum	14⅜	14⅝
28	10¼	1.50	Southern California Edison	13¼	12½
22½	5½	—	Standard Gas & Electric	6⅜	6½
50⅛	22⅜	1.00	Standard Oil Co. of N. J.	42⅞	43
66½	45⅜	3.80	Sterling Products	60	59⅝
9½	1½	—	Studebaker	2½	2
30½	10⅜	1.00	Texas Corporation	21⅝	21⅝
9⅜	2⅜	0.12	Transamerica	6½	6
51⅞	19⅜	1.40	Union Carbide & Carbon	45⅞	45⅝
132⅞	61¼	6.00	Union Pacific	106	108
12½	8⅛	—	United Aircraft (New)	12	11⅝
14½	2⅞	—	United Corporation	3¼	3½
25	11⅜	1.20	United Gas Improvement	13⅞	13¼
62½	21½	2.00	Universal Leaf	61	58⅞
25	2⅞	—	U. S. Rubber	16⅞	16⅝
47½	28⅜	—	U. S. Steel	38⅝	37½
30¼	7⅝	—	Vanadium	19⅞	19⅝
13⅜	1	—	Warner Bros. Pictures	4⅝	4½
88¾	19⅜	0.65	Westinghouse Elect.	35⅝	35
55	25⅞	2.40	Woolworth	55	55¼

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